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Yeltsin Seizes Power From Parliament, Throwing Russia Into Political Chaos

Clinton Vows Support for Yeltsin After Phoning Him

By Elaine Sciolino

WASHINGTON—The Clinton administration was stunned by President Boris N. Yeltsin's announcement that he was dissolving parliament and holding new elections, but moved swiftly to throw its support behind him. As the White House scrambled to assess the fast-moving developments in Moscow, President Bill Clinton telephoned Mr. Yeltsin to ask for assurances that he is committed to democratic reform and respect for human rights. "In a democracy, the people should finally decide the issues that are at the heart of political and social debate," Mr. Clinton said in a statement issued by the White House, Reuters reported. "President Yeltsin has made this choice and I support him fully," he said, following his telephone conversation with Mr. Yeltsin. In embracing the Russian leader, the Clinton administration is saying that his dissolution of an undemocratic and anti-democratic parliament is acceptable because he did it in the name of democracy. But Mr. Yeltsin's move puts the administration in a bind: It knows that what is most important in Russia—the continuation of democratic and economic reform—transcends the personal fortunes of one man. On the other hand, it sees Mr. Yeltsin as the country's best hope for democracy, a sort of Russian-style Charles de Gaulle delivering his country from chaos by assuming authoritarian powers. Last March, Mr. Yeltsin threatened to dissolve parliament and abolish the Soviet-era Constitution, and the U.S. administration stuck by him. Vice President Al Gore said, "We feel that Boris Yeltsin is the best hope for democracy in Russia." The Associated Press reported from Washington, "And we will continue to urge the international community to be supportive of the reform efforts that are under way." During a conversation with Secretary of State Warren M. Christopher in Washington See SUPPORT, Page 5



President Yeltsin telling the Russian people during his television speech in Moscow on Tuesday that he had dissolved the parliament.

Defiant Lawmakers Name Rutskoi to Replace Him

By Margaret Shapiro

MOSCOW—President Boris N. Yeltsin, declaring Tuesday that ceaseless political battles were leading Russia down the path toward a "catastrophic collapse," dissolved the parliament, a focal point of conservative opposition, and ordered December elections for a completely new legislature. Mr. Yeltsin's announcement threw Russia into a state of political chaos, with unconfirmed reports of military movements toward Moscow and calls by his opponents for Russians to take to the streets in opposition. But the Itar-Tass press agency quoted a spokesman for the armed forces as saying that the army would remain neutral in the conflict. Vice President Alexander V. Rutskoi, who broke with Mr. Yeltsin more than a year ago and now leads the conservative opposition, immediately declared himself president, calling Mr. Yeltsin's action unconstitutional. Around midnight, the parliament voted to strip Mr. Yeltsin of his powers and swore in Mr. Rutskoi as an acting president. The speaker of the parliament, Ruslan I. Khasbulatov, another leading opponent of the president, called on Russian soldiers, police officers and KGB agents to ignore Mr. Yeltsin's orders and urged trade unions across Russia to go on strike immediately. A somber Mr. Yeltsin, speaking on national television, said: "The security of Russia and her peoples is more precious than formal compliance with contradictory regulations created by the legislature. The measures that I have to take as president are the only way to protect democracy and freedom in Russia, to defend reform and the still-weak Russian market." He said elections for the new parliament

would be held Dec. 11 and 12 and warned that efforts to disrupt them, presumably including attempts to convene the old parliament, would be prosecuted. He said presidential elections would be held later. The Russian cabinet gave its "unconditional support" to Mr. Yeltsin, Prime Minister Viktor S. Chernomyrdin said. "I shall implement the government's objectives and President Yeltsin's decrees," he said. He said the heads of the Ministries of the Interior, Security and Defense had expressed their support for Mr. Yeltsin's decision to dissolve the parliament. In announcing the elections, Mr. Yeltsin said: "In accordance with a presidential decree already signed, beginning today the legislative, executive and control functions of the Congress and the Supreme Soviet are stopped. There will be no more sessions of the Congress. The authority of the people's deputies is considered void." The parliament was elected to a five-year term in 1990 when the Communist Party still held sway, and it is dominated by ex-Communists and hard-line nationalists bitterly opposed to Mr. Yeltsin and his radical economic reforms. Mr. Yeltsin's aides denied reports that an Interior Ministry division was on alert or moving toward the capital. They said, however, that additional police officers had been called in to guard the television tower and military installations. Itar-Tass quoted a Defense Ministry spokesman as saying that the military would "maintain strict neutrality." "All troops remain in their garrisons," Mr. Chernomyrdin said. "Of course, they are ready See YELTSIN, Page 5

Unease Ripples Through Markets

The dollar surged ahead as investors moved out of the Deutsche mark, considered vulnerable to turmoil in Russia, and gold pushed higher as traders speculated that Russia's production might be curtailed. On Wall Street, jittery investors sent the Dow Jones industrial average down as much as 67 points before it trimmed its loss to 38 by the close. The market had already been retreating from its late-August highs. (Page 11) Russia's military vows neutrality. Page 5. From Britain, cautious support. Page 5.

Olympic-Site Sweepstakes in Final Lap

By Christine Brennan

WASHINGTON—It is the most secretive and least understood vote in sports. It is about politics, business, geography—and who gives the best gifts. On Thursday, 89 people, many of whom are unknown to the outside world, will select a city as host for the Summer Olympics in the year 2000. In two hours of secret balloting, a process that for three years has dominated the lives of thousands of people from the five cities—Beijing, Berlin, Istanbul, Manchester and Sydney—and has cost as much as \$30 million, will come to a quick and stunning conclusion. The International Olympic Committee, a self-elected collection of sports administrators, former athletes, dignitaries and royalty from 75 countries, will meet Thursday in the Salle des Etoiles in Monte Carlo to select one city for the glorified rite through history and to send home the four others with nothing to show for their enormous and expensive lobbying efforts. Just 15 years ago, a city could be selected for the honor six or seven years in advance. Other times, there was little or no competition; in 1984, the committee simply handed the Summer Games to Los Angeles, because no other cities were interested.

Now, with the potential for hundred-million-dollar Olympic surpluses, gigantic television China's spokesman has an Olympic dialogue with Ian Thomson. Page 19. fees, corporate sponsorships and—in Beijing's case, national pride—the stakes have risen dramatically. So the cities go to great lengths to impress the

committee members, who have been given the opportunity to play golf at Augusta National in Georgia, ski in the Alps or have their names engraved on a plaque on the Great Wall. But, in general, the committee is not a group that is easily impressed. "These are people of substance," said Tom Welch, president of Salt Lake City's unsuccessful 1998 Winter Games bid and currently in See VOTE, Page 19

China's Big Gamble: A Matter of Pride

By Lena H. Sun

BEIJING—When the members of the International Olympic Committee vote Thursday in Monte Carlo to pick the site of the 2000 Summer Olympics, the outcome will matter most to China. China's leaders, more than those of any of the other four countries with cities in the running, have staked a large part of their credibility and reputation on winning the right to hold the Games. More than those of any other country, China's leaders face a devastating loss of face if Beijing's bid is rejected. See CHINA, Page 19

Kiosk

A Gaza PLO Leader Killed in Power Feud

GAZA CITY, Israeli-occupied Gaza Strip (Reuters)—A senior PLO leader in the Gaza Strip was assassinated Tuesday by other Palestinians in a dispute within the mainstream Patah faction over the peace accord with Israel, Palestinian sources said. The victim, Mohammed Hashem Abu Shaaban, was head of a political committee organizing support for the accord. Mr. Shaaban was the first prominent Palestinian to be assassinated in the occupied territories since Prime Minister Yitzhak Rabin and Yasser Arafat's Palestine Liberation Organization signed the accord Sept. 13 in Washington. The pact calls for limited Palestinian self-rule starting in the Gaza Strip and the West Bank town of Jericho. Mr. Rabin was seeking a "Jewish majority" in parliament for the accord so that he could claim a genuine mandate. (Page 4)

Business / Finance Michelle had a \$565 million first-half loss because of job-cut costs. Page 11. Jarville Matheson's managing director, Nigel Rich, will step down. Page 11.

Book Review Page 9. Crossword Page 20. Weather Page 20.

Table with market data: Dow Jones (Down 38.56, 3,537.24), Trib Index (Down 0.97%, 108.09), The Dollar (New York, Time close, previous close), DM (1.6385, 1.61), Pound (1.5143, 1.532), Yen (106.33, 104.65), FF (5.707, 5.619)

U.S. Spurns Europe's Call To Reopen Farm Accord

By Paul Horvitz

WASHINGTON—The United States on Tuesday rejected a new European call to reconsider a 10-month-old agreement on reducing farm subsidies, clouding hopes for a successful end to seven years of world trade talks and raising anew the prospect of a trans-Atlantic trade war. The U.S. trade representative, Mickey Kantor, said in a sharply worded statement that Washington would not reopen "either directly or indirectly" the agricultural agreement reached at Blair House in Washington last November. The statement was a rebuff to France, whose 1 million farmers are adamantly demanding a renegotiation of the Blair House deal and whose government is threatening to veto final European approval of the agreement. A new veto threat was issued Tuesday by Foreign Minister Alain Juppé. A French veto, in the view of many analysts,

would in turn dash hopes for the conclusion by mid-December of a world trade liberalization agreement under the auspices of the General Agreement on Tariffs and Trade. Mr. Kantor's statement was made only hours after European Community ministers had agreed, in a vaguely worded statement, to seek new discussions with the United States over the farm deal. At the same time, the EC ministers rejected French demands that the Blair House pact be formally reopened. The EC statement, shaped during a long and fractious meeting in Brussels, seemed aimed at a semantic compromise that would avoid demands for a formal renegotiation while still providing the French with a measure of satisfaction by seeking a "clarification." Britain opposed any renegotiation, fearing it would lead to the collapse of the GATT talks. The statement by Mr. Kantor focused on that compromise language. "Interpretation or clarification of Blair See KANTOR, Page 4

EC Adopts High-Risk Strategy

By Tom Buerkle

BRUSSELS—European Community officials insisted Tuesday that their strategy for reviving global trade talks was alive despite renewed French threats to block a trade accord and an immediate rebuff from Washington to EC pleas for flexibility on agriculture. The EC officials acknowledged, however, that the strategy adopted at an extraordinary meeting of foreign and agriculture ministers early Tuesday was a high-risk one. By merely papering over internal differences, it ensured that the farm issue that has blocked the Uruguay Round of global trade talks for years would cloud those talks right down to the Dec. 15 deadline, they said. A spokesman for Sir Leon Brittan, the EC

trade commissioner, said the tough U.S. line on farm trade was only an initial reaction to the Community's trade stance. The EC ministers called on Sir Leon to take up France's concerns over the EC-U.S. Blair House farm pact when With crises mounting, the French are blaming the usual culprit: Washington. Page 2. he meets with Mickey Kantor, the U.S. trade representative, in Washington next week, but did not demand a renegotiation of the pact. Although Mr. Kantor on Tuesday ruled out any renegotiation or modification of Blair House, he is still going ahead with the talks with Sir Leon, the spokesman noted. He also said Sir Leon was encouraged by Mr. Kantor's renewed See GATT, Page 13



POPE RECEIVES ISRAELI RABBI—Pope John Paul II greeting Yisrael Meir Lau, chief rabbi of Israel's Ashkenazi Jews, at Castel Gandolfo. At the meeting, first of its kind since Israel's founding, the Pope said he hoped to visit the Holy Land. Page 4.

Reply to Hoaxer: No Thanks but Thanks

By David Streitfeld

WASHINGTON—Try to scam a writer and she'll treat it like everything else: a source of material. Two months ago, Amy Tan got a letter from Neustadt, Germany. "As an elderly man living alone one thinks not only of one's past but also beyond one's own being," wrote a man whose letterhead identified him as Rainer Bohlike. "In a word, I have a considerable fortune and no heir." As an admirer of the novelist's work, Mr. Bohlike said he would be honored to leave all his

loot to her. He sought nothing. It was enough just to know "that with this help you would be able to attend to your important work more intensively." Miss Tan, author of the best-selling "The Joy Luck Club" and "The Kitchen God's Wife" was touched. "For a moment, I thought I finally got a letter from someone that didn't ask for something. Someone who just wanted to give me something." Not that she was planning to take the money. She drafted a reply turning it down but saying how wonderful it was to be surprised. Right about then another prominent San Francisco novelist, Isabel Allende, was opening

a letter that began: "As an elderly man living alone one thinks not only of one's past but also beyond one's own being." It was another missive from Rainer Bohlike. "I didn't take it seriously, but I was polite," says Miss Allende, best known for her novel "The House of the Spirits." "My idea at the time was that this was some weirdo who was collecting autographs." She told him to leave the money to a foundation. Some weeks before, in Los Angeles, the creator of the "Simpsons" cartoon, Matt Groening, had received his letter. It was the same offer. See HOAX, Page 3



# As Crises Mount, French Blame U.S., The Usual Culprit

By William Drozdiak  
Washington Post Service

PARIS — Barely six months after a new conservative government took power with the promise of breaking chauvinist taboos, France's leading politicians, businessmen, farmers and movie stars are again finding it expedient to blame American imperialism for their problems.

A mysterious American-led cabal, hatched no doubt in the darkest corridors of power in Washington, is now getting the rap for the flurry of currency speculation that doomed the European Monetary System, the desperate plight of French industry and farming and the sorry commercial state of the French cinema.

It has always been easy for France to attribute its problems to the big, clumsy giant across the Atlantic. Whenever the French get into trouble, it seems, they tend to trace their afflictions to fiendish American plots.

But the latest complaints appear to go beyond mere petulance or paranoia: They seem to reflect a profound realization that France's stature in the world is slipping badly.

The emergence of an enlarged Germany as the Continent's leading power, the wide disaffection with the notion of a United States

### NEWS ANALYSIS

Europe, the failure to bring peace to Bosnia and an economic crisis that is costing thousands of jobs each week have contributed to a disenchantment with the political establishment and its inability to solve France's most pressing problems.

"There is no question we are witnessing a crisis in our institutions," Alain Duhamel, a prominent political scientist, said. "People no longer want to belong to political parties, unions or the church. So they are turning inward, looking for their own identity."

The latest chapter in France's identity crisis began when Prime Minister Edouard Balladur warned this summer that an evil "Anglo-Saxon conspiracy" was masterminding a run on the franc and trying to smash Europe's attempts to form a single continental currency that could rival the dollar.

George Soros, the Hungarian-American financial wizard who admits to having made more than a billion dollars last year on the collapse of the pound sterling, discovered personally how deep the French animosity has become. A genteel invitation extended to him to join Armagnac's academy of honored connoisseurs turned into a heated political debate, with some members refusing to accept an American who had acquired his wealth by "plundering" the French currency and others.

Meanwhile, farmers stoked the trans-Atlantic feud by diverting some of their protests against world trade negotiations, which they fear could harm their livelihoods, toward targets such as the U.S. Embassy, the Euro Disneyland theme park and other symbols of American power and influence.

Lately, French film directors and stars have jumped aboard the chauvinistic bandwagon in proclaiming that Europe's movie industry may be doomed by American cultural imperialism. "We cannot allow the Americans to treat us in the way they dealt with the Redskins," the director Bertrand Tavernier warned last week before the European Parliament.

Some French industrialists say the country's ancient distrust of free trade dogma and its preference for some economic nationalism where state-owned companies could flourish account for the virulent reaction against consumer preference for some American products, whether corn gluten feed or "Jurassic Park."

But others say these sentiments reflect a reluctance to come to terms with France's tarnished history over the past century and its less-than-glorious prospects of retaining the last vestiges of world influence in the years to come.

"We were always raised to believe we were the best, which I suppose accounts for what people call French arrogance," said Hubert Decas, a wealthy Bordeaux businessman. "But now we look around and find out what we were told at home and in school was not necessarily true, and it's hard to accept."

At a time when nearly 11 percent of the labor force is out of work and the country's cowed farmers say they are being pushed off their lands, the French government is now gambling on rallying the population behind a patriotic call to arms to support national priorities even though these may antagonize European neighbors as well as the United States.

"If the summer's monetary crisis should be followed by a political and commercial crisis with our partners, then the whole edifice of the European Community could crumble," wrote Jean-Marie Colombani, an editor with the newspaper Le Monde. "Saving unity is not the priority of Edouard Balladur, who is playing with fire by risking a crisis not only between Europe and the United States but also at the very heart of the Community."



Refugees from Croatia and Bosnia-Herzegovina scrambling for food that was being distributed Tuesday by the Red Cross in Belgrade.

## Bosnian Leader Won't Back Peace Plan

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Bosnia's Muslim president, Alija Izetbegovic, said Tuesday he could not recommend acceptance of the latest plan to end the republic's 17-month war.

"I personally am not inclined toward that proposal," Mr. Izetbegovic said at a news conference in Sarajevo on his return from talks Monday with warring faction leaders and international mediators on a British warship in the Adriatic.

There had been hope earlier that a modified plan that secures access to the sea for a future Muslim state might salvage an accord to halt the war.

Leaders of the country's three factions failed to come to terms in the meeting aboard the aircraft carrier Invincible. As a result, a signing ceremony for the plan that had been scheduled for Tuesday in Sarajevo was called off.

But there was hope that changes in the plan to partition Bosnia among the Serbian, Cro-

atian and Muslim factions eventually might win acceptance.

It was "a relatively successful day," said Bosnia's foreign minister, Haris Silajdzic.

"The Croatian side partly agreed to what we were asking in the Adriatic," he said in Zagreb. "It is a good omen for future relations."

He said that the Serbs had made "minor concessions on the map, but it is way far from being enough."

(Reuters, AP)

## Terrorist Killed Self, Bonn Told

Reuters

SCHWERIN, Germany — An independent forensic report on the death of the suspected German urban guerrilla Wolfgang Grams concluded that he shot himself, state justice officials said Tuesday.

It rejected theories that a police agent had fired a fatal shot to the head of Mr. Grams in cold blood during a raid in June at a railroad station in the northern town of Bad Neuenahr, said Herbert Helmrich, the Mecklenburg-Vorpommern state justice minister.

The death of Mr. Grams and the subsequent problems that justice authorities had in explaining it, cost Interior Minister Rudolf Siggel and the chief federal prosecutor, Alexander von Stahl, their jobs.

Mr. Helmrich said the report by forensic specialists at the University of Muenster found that traces on Mr. Grams' own pistol indicated that he had fired the fatal shot himself.

Mr. Grams, a member of the terrorist Red Army Faction, had been in the train station with another Red Army member, Birgit Hogefeld, and a police informer, Klaus Stannetz, when agents of the elite police unit known as GSG-9 opened their attack. Miss Hogefeld was quickly apprehended but Mr. Grams fled up a flight of stairs. A shoot-out ensued, in which one police agent was killed and other wounded. Police agents managed to subdue Mr. Grams on one of the station's tracks. He then was shot and killed at point-blank range.

Earlier reports had established that Mr. Grams had been killed with his own gun, rather than any of the pistols carried by the police. But witnesses have said that police agents held Mr. Grams immobile for about 20 seconds, and that one of them shot him through the temple.

In an indication of the controversy surrounding Mr. Gram's death, the Muenster study was one of three commissioned by prosecutors from independent institutes.

## A U.S. Foreign Policy Primer

Expanding Democracies Is Goal, Clinton Aide Says

By Thomas L. Friedman  
New York Times Service

WASHINGTON — President Bill Clinton's national security adviser on Tuesday presented the first outline of the administration's foreign policy vision, saying that it aimed to replace the Cold War policy of "containment" of the Soviet threat with a new policy of "enlargement" of the family of market democracies.

"The successor to a doctrine of containment must be a strategy of enlargement — enlargement of the world's free community of market democracies," said W. Anthony Lake, speaking at the School of Advanced International Studies of Johns Hopkins University.

The speech was delivered before President Boris Yeltsin announced that he was abolishing the Russian parliament and calling new elections, presenting the administration with a fresh foreign policy crisis.

The Clinton administration has been criticized by foreign policy experts for lacking a coherent framework for its decision-making on issues ranging from Bosnia to China.

The public, though, seems to be warming to Mr. Clinton's foreign policy. A New York Times/CBS News poll conducted late last week found that 52 percent of Americans approved of Mr. Clinton's handling of foreign policy and that only 25 percent disapproved, with 23 percent expressing no opinion.

A month earlier 42 percent approved, 42 disapproved and 16 expressed no opinion. The shift may be due in part to the recent Arab-Israeli breakthrough.

The essence of Mr. Lake's speech on Tuesday was that in a world in which the United States no longer had to worry about a Soviet nuclear threat, where and how it intervened abroad was increasingly a matter of choice.

What Mr. Lake tried to do was to lay out the

broad principles on which those choices would be made.

He said that the old policy of containment, in which choices were easily made on the basis of whatever was necessary to stem the spread of Soviet influence, will be replaced by a policy of enlargement, in which choices are made on the basis of expand democracies, free markets and human rights at a reasonable cost to the United States.

"To be successful, a strategy of enlargement must provide distinctions and set priorities," Mr. Lake said. He cited four areas of choice that should guide American foreign policy.

The highest priority in a strategy of enlargement, he said, "must be to strengthen the core of major market democracies, the bonds among them and their sense of common interest."

Economic stagnation and its political consequences "undermine the ability of the major democratic powers to act decisively on our many common challenges, from GATT to Bosnia," he said.

The imperative for a policy of enlargement is to help democracy and markets expand and survive in places such as Russia, Eastern Europe and the former Communist lands "where we have the strongest security concerns and where we can make the greatest difference," Mr. Lake said.

The idea is to transform formerly threatening states into economic and diplomatic partners, he said. That means continuing to press for international economic support for the fragile Russian reform efforts and taking tough public positions to staunch the reversal of democracy in places such as Haiti, Guatemala and Nigeria.

Another element of the strategy, Mr. Lake said, "are the choices that have to be made to minimize the ability of states outside the circle of democracy and markets to threaten it." American policy toward such states, he said, "must seek to isolate them diplomatically, militarily, economically and technologically."

## Rangers Capture Aidid Aide

Compiled by Our Staff From Dispatches

MOGADISHU, Somalia — U.S. Army Rangers on Tuesday captured the chief aide to the fugitive warlord Mohammed Farrah Aidid, whose militia has been blamed for killing scores of UN peacekeepers.

General Aidid's supporters threatened attacks on UN headquarters and on foreigners if the aide, Osman Atto, was not quickly freed.

About 50 of the Rangers arrested Mr. Atto and three other Aidid spokesmen, said a UN military spokesman, Major David Stockwell.

Militiamen opened fire on the Rangers with small arms and at least a dozen rocket-propelled grenades, but no U.S. forces were wounded in the 20-minute operation, Major Stockwell said.

He described Mr. Atto, a wealthy Somali businessman, as the principal adviser and chief financier to Mr. Aidid. Somalis con-

sider Mr. Atto to be General Aidid's No. 2 man.

A relative of Mr. Atto, Boran Mohammed, warned all non-UN foreigners in the capital to stay indoors because "the city might explode."

About 20 private relief workers and 15 journalists are known to be in Mogadishu.

"We will not accept any humiliation and we are ready to fight," Mr. Boran said.

Major Stockwell said the UN force was taking extra security measures.

He said the UN force had taken into account "the potential emotional outburst that may follow this."

The capture was the first major success for the Rangers, who were sent to Somalia with the mission of seizing General Aidid himself.

Twice the Rangers made serious mistakes in searching for General

Aidid — raiding a UN office and arresting supporters of General Aidid's chief enemy, Ali Mahdi Mohammed.

Major Stockwell said some militiamen were killed in the fighting, but no civilian casualties were reported. Unconfirmed Somali reports said General Aidid's forces suffered two dead and several wounded.

Major Stockwell said Mr. Atto was arrested under the authority of UN Security Council Resolution 837, which calls for the punishment of those responsible for the deaths of 24 Pakistani peacekeepers in an ambush on June 5.

More than 27,000 foreign soldiers are involved in a UN operation to help Somalia recover from its famine and civil war. But the troops have wound up in almost daily battles with General Aidid's militiamen.

(AP, AFP)

## WORLD BRIEFS

### Hosokawa Vows Reforms This Year

TOKYO (AP) — Prime Minister Morihiro Hosokawa pledged Tuesday to reform Japan's scandal-ridden political system by the end of this year and deal with the country's "economic emergency."

In a policy speech opening a session of parliament, Mr. Hosokawa said that corruption "threatens to undermine Japan's international credibility," and he pledged to pass bills this year to create a new electoral system and stricter anti-corruption laws.

"The first thing that we must do is to restore popular trust in government, but there are also a number of other issues that cannot wait, including dealing with the economic emergency," he said. Mr. Hosokawa is to leave later this week to attend a United Nations session in New York and meet President Bill Clinton.

### Rebels on the Offensive, Angola Says

LUANDA, Angola (Reuters) — The Angolan government said Tuesday that UNITA was ignoring a unilateral cease-fire the rebel movement had declared and still was fighting to capture the besieged city of Cuito.

Angolan state radio and diplomats reported continued fighting in other parts of Angola, ranging from Quilengues in Huila Province to Casito, only 60 kilometers from the capital, Luanda.

A diplomat commented: "The prospects for peace don't seem to be favorable at the moment. Fighting seems to be continuing." UNITA radio insisted that the cease-fire was being observed and urged the United Nations to begin a new round of diplomatic contacts aimed at restarting peace talks.

### 24 Killed in South African Attacks

JOHANNESBURG (AP) — In the second random attack in a day, gunmen opened fire from a speeding van Tuesday south of Johannesburg and killed at least 18 people, police said.

Hours earlier, six people died when their taxi-van was ambushed by men with AK-47s on another highway south of Johannesburg. The attackers continued to blast away at the van after it crashed and overturned.

It was not immediately clear if the attacks were linked, but both were similar to other recent attacks in the area that have been linked to politics. As in the other ambushes, Tuesday's coincided with progress in black-white negotiations aimed at ending white rule.

### 2 Frenchmen Found Dead in Algeria

ALGIERS (AFP) — Two Frenchmen were found dead Tuesday morning in Sidi Belabes, in western Algeria, becoming the first foreign nationals to die in Algerian unrest, the national agency APS said, quoting official sources.

Francois Bertelet, 32, and Emmanuel Didion, 25, who were working as surveyors for a French company in Algeria, were seized Monday by a "terrorist group" as they were traveling to work, according to a source, using a term reserved for armed Muslim fundamentalists.

It is the first time that foreign nationals have been killed in Algeria since the start of clashes between security forces and Islamic fundamentalists that began in January 1992. About 2,000 people, including security forces, fundamentalists and civilians, have died in the conflict so far.

### For the Record

Garry Kasparov increased his commanding lead in the London world chess championship on Tuesday by defeating Nigel Short in the seventh game. Mr. Kasparov, the reigning champion, now leads the 24-game series 5½ to 1½.

An outlawed Protestant extremist group, the Ulster Freedom Fighters, claimed responsibility for bombing the homes of four Irish nationalist politicians in Northern Ireland. No one was injured.

### Correction

John Crow has been appointed chairman of the central bankers of the Group of Ten nations. The group was misidentified in a wire-service dispatch in editions of Sept. 15.

## TRAVEL UPDATE

Traffic on the Paris Metro and suburban RER commuter lines is expected to be disrupted Wednesday by a one-day strike, the city's rail authorities said Tuesday.

Truck operators in Bombay joined a nationwide truckers' strike on Tuesday, effectively shutting down cargo movement to and from India's biggest port.

Naples ground to a complete halt Tuesday when a protest over unemployment paralyzed the center of the southern Italian city. The police said that traffic clogged the center and that bus service had to be suspended after 400 workers marched through the streets in a protest over job losses from suspended public works projects.

A general strike in Nepal called by Communist groups against Prime Minister Girija Prasad Koirala seriously disrupted the Himalayan kingdom Tuesday. Most shops, offices, factories and schools in Kathmandu and other towns were closed for the strike.

## Italians Find Explosives On a Passenger Train

Reuters

ROME — The police on Tuesday found a large explosive device on a crowded passenger train traveling from Sicily to northern Italy, officials said.

Interior Minister Nicola Mancino said the device, containing eight kilograms (18 pounds) of explosives, was found in the last carriage of the Palermo-Turin overnight train, which was carrying 400 people.

Hundreds of police searched the train when it reached the station at Ostiense, on the outskirts of Rome, after the officials received a tip that explosives had been planted on the train.

Television reports said the device was believed to contain a type of gunpowder.

Mr. Mancino said the device lacked a detonator but that it was "fairly powerful and a detonator could have been added without any particular difficulty."

"Let's not say straightaway it was the Mafia," he said. "Let's not jump to conclusions. We are investigating the find."

Mr. Mancino said the explosives could have been planted to intimidate the state. He compared the train bomb with the murder of a

priest by the Sicilian Mafia last week.

In Italy's last train bombing, 16 people died and 150 were wounded on the Naples-Milan run just before Christmas in 1984. Organized crime was blamed.

Italy has been shaken this year by a series of unexplained bomb attacks, mainly targeted at monuments. Officials have blamed them on the Mafia.

The police have dealt the Mafia devastating blows this year, starting with the arrest of the head of the Sicilian crime organization, Salvatore Riina, who was captured in Palermo on Jan. 15 after 18 years as a fugitive.

An assessment prepared last month by intelligence officials of the five car bombs that have exploded outside museums and churches in Rome, Florence and Milan since May said the message that Mafia was sending was that it wanted to negotiate a truce with the state.

Investigators believe the 10 deaths in this year's bomb attacks were accidental and that the Mafia wanted to show that it could have caused major loss of life by exploding the bombs in daytime instead of at night.

**EBEL**  
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SPORT

FRANCE: AFFAN, PARIS GERMANY: ANDREAS HUBER, MÜNCHEN  
ITALY: PISA, MILANO  
SWITZERLAND: LUIS AMERASCH, ZÜRICH, GENEVA  
LIECHTENSTEIN: HUBER, VADUZ  
UNITED KINGDOM: MAPPIN & WEBB, LONDON  
SAUDI ARABIA: AL-GHAZALI, RYADH  
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# STATESIDE / FLOATING A BUDGET CUT

## Crucial Lawmaker Comes Out Against North America Pact

**The Associated Press**  
**WASHINGTON** — The leader of the majority Democrats in the House, Richard A. Gephardt, announced Tuesday that he would vote against the North American Free Trade Agreement, a decision hailed by opponents as "one more nail in the coffin" of the proposal to set up a free-trade zone.

Mr. Gephardt, of Missouri, said that he had made seven fact-finding trips to Mexico over the last three years in an effort to make sure that the proposed agreement would be beneficial to American workers.

But he said that even with supplemental agreements negotiated by the Clinton administration, he had decided that the accord fell short in a number of critical areas.

"Despite the best efforts of President Clinton and his administration to remedy the flaws in the Bush-negotiated NAFTA, the agreement is not a sufficient force for progress," Mr. Gephardt said.

"So today, I am announcing that I will vote against this NAFTA."

His announcement was seen as a blow to President Clinton's chances for winning approval of the agreement, which would eliminate virtually all trade barriers among the United States, Mexico and Canada over the next 15 years.

The leader of the Senate's majority Democrats, George J. Mitchell of Maine, said of Mr. Gephardt's announcement: "It's one vote against it by obviously a person who's highly respected. But I intend to make a statement for NAFTA today. So we will have one majority leader for it and one majority leader against it."

Opponents of the pact praised Mr. Gephardt's decision and said that, given his position in the House, it would likely sway a number of wavering votes to his side.

White House strategists in the battle, increasingly besieged, are planning a campaign in portraying Ross Perot, the 1992 independent presidential candidate, as an extremist because of his unrelenting opposition to the trade alliance.

A full counteroffensive is expected to include a series of television ads by the retired Chrysler chairman, Lee Iacocca, a supporter of the trade pact with Mexico and Canada.

One reason the administration is paying closer attention to Mr. Perot than before, Democratic strategists suggested, is that the Texas billionaire is now making po-

tential inroads into Mr. Clinton's Democratic base.

A week ago he enlisted former Presidents Jimmy Carter, Gerald R. Ford and George Bush at a White House rally for the trade pact. Mr. Carter fired the opening salvo in the effort to paint Mr. Perot as an extremist, calling him "a demagogue who has unlimited financial resources and who is extremely careless with the truth."

Administration officials hope Mr. Iacocca, in particular, can help blunt Mr. Perot's contention that the pact would cost more than 5 million U.S. jobs and endanger the domestic auto industry.

## When the Old Way of Government Thwarts the New

By Sam Howe Verhovek  
New York Times Service

**AMARILLO, Texas** — When the Clinton administration set out to reinvent government, a lot of budget watchdogs said that there was no better place to start than at the helium reserve here, a cluster of mines, pipes and cooling vats that was \$1.3 billion in debt.

But when President Bill Clinton's National Performance Review finally focused on the Cold War-era complex here on the high plains of the Texas Panhandle, it suggested this month that the program's debt be canceled by Congress and issued a vague call to "increase efficiencies in helium operations."

Rather than becoming a model of reinvented government, the helium reserve—begun in the 1920s to inflate blimps and used today by the National Aeronautics and Space Administration to boost rock-

ets—instead became a model of how politics and economics can sometimes converge to spare even the most controversial and seemingly unnecessary programs.

The politics part was simple. Amarillo's congressman, Bill Sarpalus, a conservative Democrat who proved to be a crucial vote in favor of the president's budget bill last month, spoke to Mr. Clinton four times on the day of the vote, repeatedly bringing up his concern about preserving the program, which provides 220 jobs in Amarillo.

"Sure I talked to the president about helium," Mr. Sarpalus said in an interview. "I talk to everyone I can in the government about helium. And when I had the opportunity to explain to him that this was not really a billion-dollar loss, that this is a program that makes money for the federal government, that there's another side to this picture, he was

fascinated by it. He was really interested in helium."

Critics of the debt-ridden program, conceived in the 1920s and then bolstered in the 1960s amid fears that America might run out of helium as its space program was rushing to put men on the moon, have urged that it be abolished or privatized.

"We may conceivably in the future need ermine pelts and Grand Mariner," said Pete Sepp, a spokesman for the National Taxpayers Union. "That doesn't mean the federal government needs to be in charge of stockpiling them."

But L. Dale Bippus, general manager of the Federal Helium Reserve of the Bureau of Mines, who oversees a stockpile of 32 billion cubic feet, enough to supply current federal demands for the next 100 years, boasts of the federal program with the huge surplus—of helium.

"We're the Fort Knox of helium," he

said. "It was a wise investment, I think. We've got a tremendous asset here that we acquired at a reasonable price."

The economics of helium is complex. But, in essence, the problem is this: Although the government is sitting atop a helium supply worth \$1.6 billion at today's prices, there is no way it can simply sell off the gas and give the cash to the Treasury.

Doing so, virtually everyone agrees, would lead to a collapse in the world helium market, quickly dropping the price to pennies on the taxpayers' investment dollars. As expensive as it was to get into the helium program, it could prove even more costly to leave.

Financially speaking, projections in 1960 that the government would make money in the helium business proved wildly inflated. Founded with a taxpayer loan of \$352 million, the program is now \$1.3 billion in debt, even though the gov-

ernment charges its own agencies 20 percent more for helium than the going rate in private industry. Not that it has to worry about the competition: Federal law prohibits federal agencies from buying helium anywhere except at the federal reserve.

Defenders of the reserve say it is a moneymaker because it returned \$28 million to the Treasury last year while costing only \$15 million in operate. But critics say these figures are misleading because it is all government money anyway.

"It's an affront to the free enterprise system," said Representative C. Christopher Cox, a California Republican, who has emerged as the chief congressional critic of the reserve. "It's a hoary example of socialism, of state-run industry, at a time when the whole world has rejected socialism."

## Can Clinton Cut Health Costs? Experts in Disbelief

By Steven Greenhouse  
New York Times Service

**WASHINGTON** — A wide range of experts, including economists, consultants and members of Congress, say that President Bill Clinton's health care plan will not cut costs nearly as much as the administration hopes and will actually increase the federal budget deficit instead of cutting it, as the administration promises.

The experts, both Democratic and Republican, used terms like "not credible," "wildly optimistic" and "illusory" to describe the president's plans to rein in spending.

Critics of the plan say the only way the administration could achieve such bold savings is through broad cuts in medical services — which they say would probably be politically unacceptable. They assert, for example, that much of the planned \$124 billion in Medicare cuts are politically and technically impossible to carry out by the year 2000.

"It's very ambitious," said Henry Aaron, an economist and health policy expert at the Brookings Institution. "My feeling is they're reaching a long way for cost containment. Technically, it's not impossible. The question is whether it's politically achievable and sustainable."

But administration officials argue that there is so much inefficiency, waste and fraud in the system that huge savings can be squeezed out by injecting more competition and efficiency.

They assert that their financing estimates have been put together in good faith, contain line-by-line spending cuts and have been checked and rechecked, using many outside

experts and different economic models. "If you look at these numbers, they come from a process that is unprecedented," Hillary Rodham Clinton said.

On Monday, she met with more than 200 members of Congress and told them that major savings could be made in Medicare and Medicaid.

A draft of the plan given to members of Congress shows that by 1998 the administration plans to slash in half the growth in the nation's overall health care spending — government and private — which is rising by 9.4 percent a year. The administration hopes to do this by creating a more competitive, more efficient system.

The plan also projects roughly \$350 billion in new federal health spending from 1994 to 2000 but estimates that the government will raise \$441 billion in the same period, through new revenues and cuts in existing programs. This would leave \$91 billion to cut the federal budget deficit.

A vigorous debate has erupted over the health care plan even before Mr. Clinton presents it in a speech to a joint session of Congress on Wednesday.

Many of the experts interviewed were skeptical, based on what they know so far, that the administration could achieve the savings it envisions. The draft of the plan also promises to cut the growth in private health care spending in half by 1999 and to slash by more than half the 11.6 percent annual growth in the Medicare program for the elderly from 1994 to 1998.

"It seems like an awfully big bite over that period of time," said Lawrence S. Lewin, chairman of Lewin-VHL, a health-

policy consulting firm. He said he was sympathetic with the administration's proposals but suggested that it was promising too much too fast. "It will be difficult, but it's not undoable."

Daniel Patrick Moynihan, Democrat of New York, who is chairman of the Senate Finance Committee, had earlier called the administration's promise to hold down Medicare and Medicaid spending and cut the budget deficit "fantasy."

But this week he voiced confidence that Congress would approve health care legislation.

Some economists sound as skeptical as they did when President Ronald Reagan pledged to increase Pentagon spending, cut taxes and reduce the budget deficit all at once. These economists wonder how Mr. Clinton's plan can extend health coverage in 37 million uninsured Americans, offer important new services like long-term home health care and still promise to reduce the deficit by \$91 billion from 1994 to 2000.

"The deficit reduction piece is the ultimate touch of chutzpah in what is one of the most unrealistic financing schemes I've ever seen," said Gail Wilemsky, a health care expert who administered the Medicare and Medicaid programs under President George Bush. "I expected a more modest benefit package and a real but not too painful tax increase, or else more expensive benefits linked to a larger, more painful tax increase. I was surprised when they proposed big benefits but little in the way of taxes. The financing isn't credible."

## POLITICAL NOTES

### Community Service Pledge Becomes Reality

**WASHINGTON** — Surrounded by young people in a campaign-style rally, President Bill Clinton has christened his plan to energize a generation of youths, enabling college students to earn tuition money by performing public service.

The president was signing the National and Community Service Trust Act, branding two historic pens: one used by President John F. Kennedy to establish the Peace Corps and another used by President Franklin D. Roosevelt to create the Civilian Conservation Corps.

With a rock band blaring his campaign anthem, "Don't Stop (Thinking About Tomorrow)," Mr. Clinton was introduced amid loud cheers. Eli Segal, White House director of the plan, said, "Our national service plan is bold and new, but it is also built on the bedrock of history."

The plan allows 20,000 participants in 1994, which is a higher total than ever achieved by the Peace Corps. Another 33,000 could be involved the second year and 47,000 in the third. (AP)

### For Mrs. Clinton, a Healthy Dose of Respect

**WASHINGTON** — Within days of taking office, President Bill Clinton named his wife, Hillary Rodham Clinton, to head his Health Care Reform Task Force. Her chairmanship expired in May, but she has continued to hammer out details with key congressional committee members. Interviews with several of them show that it was time well spent.

The early sniping about a "Billary" administration seems to have given way to bipartisan approval of Mrs. Clinton's stewardship. No less a critic than the Senate minority leader, Bob Dole, Republican of Kansas, who has had three meetings with Mrs. Clinton, said that her willingness to talk has been encouraging. "Nobody has staked out a position and said, 'Well, if you don't agree with this, then you're obstructing what we want to do or you're partisan,'" he said.

In the 200-plus days Mrs. Clinton has lived in the White House, aides say, she has consulted with lawmakers more than 100 times. More than 40 meetings were held between early June and last week. She picked her appearances with care and controlled media access.

"She knows where the bodies are buried, who will be for and against something," says Representative John J. LaFalce, a New York Democrat and chairman of the Small Business Committee. "I probably shouldn't say it, but she is so smart and I like her so much that I feel like squeezing her." (WP)

### Quote / Unquote

Senator Edward M. Kennedy, Democrat of Massachusetts, speaking at the signing ceremony Tuesday for the national service act: "National and community service is one of the best investments we can make for the generations to come. In a sense, the passage of this legislation marks the end of the 'me' era in our national life." (AP)

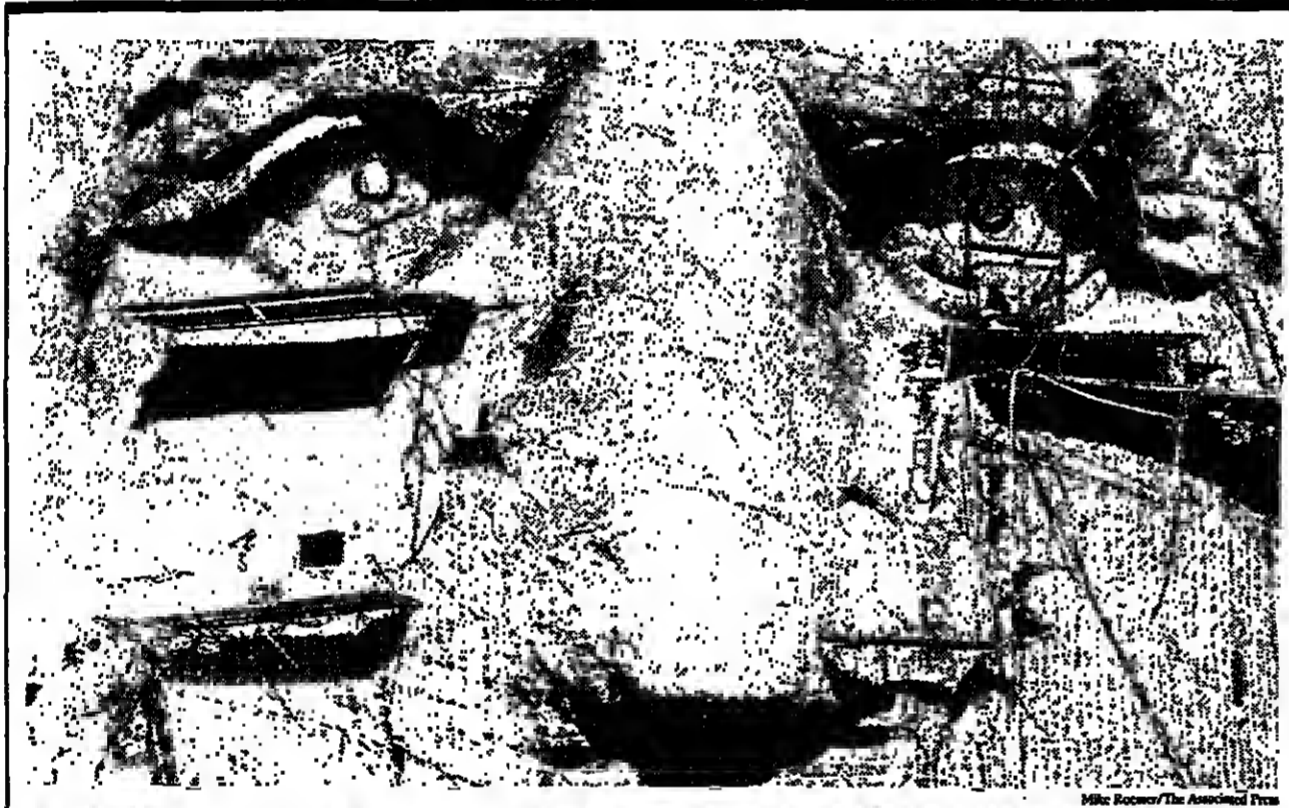
### Away From Politics

● George consumed a three-year sentence in a \$20 ice-cream theft by a 17-year-old black youth, Deundra Caldwell of Atlanta, and instead put him on two years' probation. Under terms of the probation, he would get a full pardon on the day of his high school graduation in 1995 if he tutors at least one person and stays out of trouble.

● The police arrested two men in the fatal beating of a Turkish student in Tampa, Florida, but they said his killing apparently was unrelated to the murders of nine foreign tourists in that state over the past year.

● Four U.S. Marines were killed in the second fatal training exercise in 13 days involving helicopters. The Marines, based at Camp Pendleton, California, were aboard a UH-1 Huey helicopter when it crashed.

● A California man was sentenced to death in Napa, California, for killing his high school civics teacher, who had flunked him and prevented him from graduating. Eric Houston, 22, was found guilty in July of a May 1992 rampage at the school in Olivhurst, 40 miles (64 kilometers) north of Sacramento, during which he killed the teacher and three students. (NYT, Reuters, LAT, AP)



**REMEMBERING CRAZY HORSE** — Workers chipping and blasting away at what will be an equestrian statue of Crazy Horse, whose forces provided General George A. Custer with his famous Last Stand of 1876, in South Dakota's Black Hills. Koreszak Ziolkowski, who helped to carve the presidential heads at Mount Rushmore, began work in 1946. No completion date has been set.

## AMERICAN TOPICS

### Buying a Quake-Proof Bed In Case the Earth Does Move

An earthquake-proof bed? It seemed a natural for Los Angeles, which sits atop the San Andreas Fault. And so Jon Ward, who makes racing cars and studio props, devised a "better bedstead for the Big One." Paul Dean reports in the Los Angeles Times.

Mr. Ward, 56, built his four-poster of black-iron pipes two inches (about 5 centimeters) thick, two in each corner. A steel-mesh top would stop falling plaster. Weight: 650 pounds (nearly 300 kilograms), so don't stub your toe in the dark. It could be assembled with simple household tools.

He advertised it on TV, showing a prop house collapsing on a bed with Ward on it, unscathed, under the covers. But so far, not one bed has been sold.

### Short Takes

Indigo, a left-handed poet who uses only one name, organized an evening of readings at a Manhattan cafe for left-handed poets only. Mr. Indigo, 24, a student at Hunter College, waxed poetic about left-handers. "I've always had the feeling that left-handed people were more creative," he told The New York Times. "They learn in an early age to do everything in the way that right-handed people do, so they need to show initiative."

Jerry Glasville, coach of the National Football League's Atlanta Falcons, says of his 300-pound rookie offensive guard, Lincoln Kennedy, "He can be a great player in this league for a long time if he learns to say two words: I'm full."

Arthur Higbee

### "The Mafia Cookbook"

Just published by Simon & Schuster, was written by Joseph Lanzetta after he spilled the beans about his Cosa Nostra colleagues and was given a safe haven by the federal witness protection program. When cooking for the mob, he writes, he used plenty of heavy sauces because "any meal may be his last, so it better be a good one." Successful robberies were celebrated with steak. "But if they went out and hurt somebody or killed them, accidentally or whatever, they didn't want no red meat at all. So I'd make a shrimp scampi gambrino instead." Were any of the dishes gruesome enough in bringing loss of appetite? "No way," the author says. "Fuhgeddaboutit."

## HOAX: Answer Is Thanks

Continued from Page 1

although Mr. Bohke did make a little request: "When you would like to give me a little present, please send me a hand-painted Simpsons cartoon."

Mr. Greening was more cynical than Miss Alcande or Miss Tan, although he concedes that even he wavered. For about 30 seconds. Then reality reasserted itself.

He wrote on the letter, "Nice try," added a vulgarism, and sent it back to Neustadt. Then he devoted an issue of his weekly comic strip, "Life in Hell," to the letter and his response.

The result was an ongoing attempt to hoax the hoaxer. "I started thinking, what kind of person would do this? What were the motivations?"

Using the pseudonym of "Robert White, Special Agent," Miss Tan wrote a mock-official letter in Rainer Bohke. "Please be advised my office is investigating a series of postal fraud complaints, all from writers and artists in California, all traceable to you," the letter warned.

Miss Tan ended up incorporating Mr. Bohke into her next novel, which now features a character who writes letters to people she thinks has wronged her. The woman offers to leave these individuals a considerable fortune, just in case how they respond. Ultimately, it's a method of revenge. Miss Tan is even considering changing the title from "The Year of No Flood" to "A Considerable Fortune."

Maybe she's received a substantial gift after all.

## U.S. Agents Reportedly Halted Mubarak Plot

**NEW YORK** — Assassins called off their plan to kill President Hosni Mubarak of Egypt after U.S. government agents paid a visit in a leading conspirator in a separate plot to blow up New York landmarks, a newspaper said Tuesday.

The New York Post, quoting transcripts of a taped conversation between an FBI informant, Emsad Salem, and some of the conspirators, said government agents had warned the conspirators' spiritual leader, Sheikh Omar Abdel Rahman, that they were aware of the assassination plan.

The Post, which obtained more than 1,000 pages of transcripts, quotes Mr. Salem as asking the plot's alleged ringleader, Siddiq Ibrahim Siddiq Ali, why his group never went ahead with the Mubarak assassination in April.

The transcripts show Mr. Siddiq as replying that FBI and CIA agents visited Sheikh Abdel Rahman in March and told him, "We know what you are going to do and who is going to do it."

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# YELTSIN'S MOVE / BREAKING WITH PARLIAMENT

## Military In Russia Pledges Neutrality

**Reuters**  
**WASHINGTON** — The military situation in Moscow appears calm, and there have been no unusual movements of troops in Russia's political crisis, the Pentagon said Tuesday.

The statement from a Defense Department spokeswoman, Kathleen deLaski, came as the Russian Defense Ministry vowed to remain neutral in the crisis.

"There have been no deployments of forces out of barracks," Ms. deLaski said. "No unusual movement of strategic or conventional forces."

She said Russia's nuclear missiles apparently remained under safe central control. The Joint Chiefs of Staff "tells us that, to the best of their knowledge, the nukes are under positive control," she said.

"Basically, the Russian Defense Ministry issued a statement that the military will remain neutral," Ms. deLaski said.

In Moscow, a Defense Ministry spokesman said the country's armed forces would stay out of the conflict between Boris N. Yeltsin and parliament. He told the Itar-Tass news agency that the armed forces would obey the constitution and, "as in the past, maintain strict neutrality."



Vice President Rutskoi, seated, conferring with deputies after President Yeltsin dissolved parliament.

## From Britain, Some Cautious Support

**Compiled by Our Staff From Dispatches**  
**LONDON** — Official reaction here was sympathetic, if not unequivocally supportive, of Boris N. Yeltsin's disbanding of the Russian parliament, reflecting the trend in West European capitals.

"We have consistently supported the process of democratic and economic reform in Russia," a Foreign Office statement said, adding, "We want it to continue."

The statement noted that Mr. Yeltsin had had to take "exceptional steps in exceptional circumstances."

"President Yeltsin was Russia's first popularly elected president. Democratic support for him and his policies was confirmed in last April's referendum."

Prime Minister John Major was on a trade mission to Asia. But a spokesman traveling with him in Malaysia said: "We support the democratic process and the process of economic reform. At the moment we are trying to work out the nature of what has happened. It is not clear to us yet."

A British spokesman said that the Moscow ambassadors of all the Group of Seven industrialized nations — Britain, Canada, France, Germany, Italy, Japan and the United States — were given an hour's notice of the decision.

In Paris, Prime Minister Edouard Balladur lamented that Western Europe had failed to support East European states in their difficult but critically important transition toward democracy.

Foreign Minister Alain Juppé was more direct in his support for Mr. Yeltsin, saying he hoped the Russian president would win the elections he has set for December.

Asked during a television appearance to comment on the situation in Moscow, Mr. Juppé said: "Who has democratic legitimacy? President Yeltsin."

"I hope with all my heart," he added, "that the reformists who are ready to stand before universal suffrage will come out on top."

The British statement was more circumspect on the question of the December elections.

"President Yeltsin has made it clear that he is taking exceptional steps in exceptional circumstances until there have been new and democratic parliamentary elections, to be held by Dec. 11-12," it said. "It

is for the people of Russia to decide who should rule, and under what constitution."

In Stockholm, Prime Minister Carl Bildt called Mr. Yeltsin's dissolution of parliament "regrettable but necessary."

He said on Swedish television that he did not believe Mr. Yeltsin's move would lead to civil war.

"This is a parliament which dates from Soviet times," Mr. Bildt said. "It refused to go for election. So in some circumstances one ends up in a regrettable but necessary situation."

A government spokesman in Bonn said that Germany was concerned by events in Russia but was not yet prepared to comment.

(Reuters, AP, UPI)

## Jet Downed In Georgia, Killing 27

**The Associated Press**  
**TBILISI, Georgia** — At least 27 people were killed Tuesday when an airliner was shot down while trying to land in the Abkhazian capital, Sukhumi, during fighting between separatists and Georgian government troops.

Russian and Georgian officials said the jet had crashed into the sea.

The Russian authorities said the plane had been shot down by an unidentified gunboat in the Black Sea. Georgian officials, however, said it was unclear whether the fire had come from land or sea.

Alexander Berulava, a spokesman for Georgia's defense minister, said 22 passengers and six crew members had been killed, including a Spanish journalist whose body was later recovered.

Mr. Berulava said a similar plane carrying a delegation of Georgian negotiators was shot at earlier in the day as it was flying from Sukhumi to Sochi, in southern Russia, but managed to land safely.

It was unclear whether the other plane, which was shot down, had been carrying the delegation on its return to Sukhumi.

Georgian negotiators frequently shuttle between Sukhumi and Sochi, where talks are being held. In addition, planes sometimes fly refugees from Sukhumi to Sochi.

The crash came as Georgian troops were battling the separatist Abkhazian fighters just outside of Sukhumi, where the Georgian leader, Eduard A. Shevardnadze, remained encamped.

"There can be no talk about any kind of withdrawal from Sukhumi," he said on Georgian state television. Such a pullout was urged Tuesday by the Russian defense minister, Pavel S. Grachev.

## A Partial Text of the Decree

**Reuters**  
**Following is an excerpt of the text of President Boris N. Yeltsin's decree on the dissolution of the Russian parliament:**

A political situation endangering the state and social security of the country has been created in the Russian Federation.

The direct opposition to social and economic reform, the open, daily obstruction of the policies of the president of the Russian Federation by popular vote, and attempts at usurping the functions of the executive power in place of the Council of Ministers, provide full evidence that the majority in the Supreme Soviet of the Russian Federation and a part of its leadership have chosen the path of trampling on the will of the Russian people expressed in the referendum of April 25, 1993.

It means a flagrant violation of the law on referendums, according to which decisions taken in an all-Russian referendum have supreme juridical power, do not require any confirmation and are binding on the entire territory of the Russian Federation.

The Congress [of People's Deputies] and the Supreme Soviet are undertaking systematic and ever-more active efforts to usurp not only executive but even judicial functions.

At the same time, not only have they failed to work out a legislative basis for the realization of the Federative Treaty but also their decisions often go against the federative nature of the Russian state.

Constitutional reform in the Russian Federation has practically been wound up. The Supreme Soviet is blocking the decisions of the congresses of the Russian Federation to adopt a new constitution.

The regulations, the procedure of working out and adopting decisions, are systematically violated by the Supreme Soviet in their day-to-day work.

Voting on behalf of absent deputies has become a matter-of-fact practice during the sessions, effectively meaning the liquidation of popular representation.

In this way the foundations themselves of the constitutional system of the Russian Federation are being destroyed: the sovereignty of the people, the separation of powers, federalism. The principle itself of parliamentarism which has not yet had time to come to life and get established in the Russian Federation is being discredited.

In present circumstances the only means of ending the confrontation between the Congress, the Supreme Soviet on the one hand, and the president and the government on the other, as well as overcoming the paralysis of state power in a way corresponding to the principle of the power of the people, is by electing a new parliament of the Russian Federation.

Such elections are not early elections to the Congress of the People's Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, and do not infringe the will of the people expressed in the referendum on April 25, 1993.

The necessity to hold elections is dictated by the fact that the Russian Federation is a new state that has come to replace the P.R.S.F.R. [Russian Soviet Federative Socialist Republic] within the Soviet Union and which has become an internationally recognized successor to the Union of Soviet Socialist Republics.

Taking into account that the existing constitution of the Russian Federation does not provide for adopting a new constitution, political parties and movements, groups of deputies, participants to the Constitutional Assembly, public representatives have more than once addressed the president of the Russian Federation with proposals to call elections to the new federal parliament without delay.

## YELTSIN: Disbanding of Parliament Hurls Russia Into Political Chaos

**Continued from Page 1**

for anything, but God save us from doing that."

Moscow streets seemed quiet, with kiosks operating as usual, people walking dogs and cars speeding by. A few hundred protesters, mostly middle-aged, gathered around the parliament building waving red Soviet flags.

**SUPPORT: Clinton's Backing**

**Continued from Page 1**

last week, Russia's foreign minister, Andrei V. Kozyrev, disclosed that there might be a showdown with the parliament within a matter of days, a senior administration official said.

But Mr. Kozyrev, who was in Washington for last week's signing of the Israeli-Palestinian accord, did not tell Mr. Christopher directly that Mr. Yeltsin would dissolve the parliament, the official said.

Senior administration officials said that they had assumed that Mr. Yeltsin would give the parliament an ultimatum, but did not expect him to dissolve it.

A senior official acknowledged that Mr. Yeltsin "does not have great timing," adding that the Senate is poised to vote on the foreign-aid bill, which includes a large aid package for Russia.

But Senator Patrick J. Leahy, the Vermont Democrat who shepherded the aid package through the Senate, insists the aid should move ahead in order to bolster Mr. Yeltsin's standing.

Mr. Rutskoi, after lawmakers voted to name him president, issued his first "decree," nullifying Mr. Yeltsin's action and ordering all government leaders to obey him and the parliament.

Inside the parliament building, where all government telephones had been turned off, Mr. Khasbulatov declared: "I turn to all servicemen, policemen and employees of the Security Ministry with a demand not to obey criminal orders coming from the president."

Russia's top jurist, Valeri D. Zorkin, head of the Constitutional Court, joined Mr. Khasbulatov and offered his support. The court, which has frequently ruled against Mr. Yeltsin, was meeting in emergency session.

Similar tense confrontations between Mr. Yeltsin, 62, and the parliament have occurred in the past, leading to impeachment votes and presidential edicts, but they always tended into messy negotiations as both sides backed down. In March, for instance, Mr. Yeltsin announced that he was declaring presidential rule, but he never explained precisely what that meant and ultimately backed away from it.

However, the current situation appears to be on a different order of magnitude with great risks, even for a man such as Mr. Yeltsin who has made a career of dramatic risk-taking.

Instead of the vague threats of the past, he has announced concrete steps that leave no room for compromise and also put him, for the first time, clearly outside the battered framework of Russia's Soviet-era constitution. He also appears to be willing for the first time to risk testing the loyalty of the military, police and KGB, whose support he may need to enforce his will.

This week he made a well-publicized trip to the Interior Ministry's Dzerzhinsky Division outside Moscow. It is this division that was rumored last night to be moving toward the city.

Parliament, meanwhile, having lost badly to Mr. Yeltsin in a national vote of confidence this April, is a much less confident opponent than in the past. Many of its members are already preparing for the possibility of elections to a new legislature.

The leadership is badly split, and there are real questions about whether a quorum could be raised to convene a session of the super-legislature known as the Congress of People's Deputies, which under the constitution is the sole body empowered to impeach Mr. Yeltsin.

It is unclear why Mr. Yeltsin chose this precise moment to act. In his speech Tuesday he said he could no longer tolerate that the parliament was continually frustrating constitutional and economic reforms. By its "fruitless, senseless and destructive struggle," he said, it was driving Russia toward complete "paralysis" that would wreck the state.

Mr. Yeltsin acknowledged that he was violating the constitution, which is left over from the Soviet era and has been amended by his opponents hundreds of times to thwart his reforms and the ties his hands. But Yeltsin said he had no choice.

"It is impossible not only to implement difficult reforms, but to maintain elementary order," he said. "The past days have destroyed any hope of restoring any constructive cooperation."

Mr. Yeltsin denied that his actions were designed merely to strengthen his own hand as Russia's ruler and said that once a new legislature was elected and working, he would agree to early elections to a five-year term in 1991.

The Russian leader also warned that if he failed, not only Russia but also "the whole world" would face the "catastrophic collapse of the Russian state, the reign of anarchy in a country possessing a huge arsenal of nuclear weapons."

## Yeltsin's Move Is 'Foolish,' Gorbachev Says

**Reuters**  
**MODENA, Italy** — Mikhail S. Gorbachev criticized President Boris N. Yeltsin for dissolving the Russian parliament and calling elections for a new legislature.

"Yeltsin had no right to do what he did," the Italian news agency ANSA quoted the former Soviet president as saying.

Informed of the events in Moscow after a speech during a visit to Italy, he said: "I didn't know about it. If that is what he did, it's a foolish and undemocratic thing to do."

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(Continued From Page 6)

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# Cambodia Passes New Constitution

By William Branigan  
*Washington Post Service*

**PHNOM PENH** — Cambodia on Tuesday passed a new constitution that restores the monarchy, clearing the way for the aging Prince Norodom Sihanouk to return as king with limited powers.

By a vote of 113 to 5 with 2 abstentions, the 120-member Constituent Assembly, elected in May in UN-sponsored polls, formally approved the creation of a pluralistic "liberal democracy" under the new charter for this war-shattered country of 9 million people.

"We have chosen the constitutional monarchy, having a king who reigns but does not govern," said Son Sann, 81, the speaker of the assembly. "In this context, the king renounces all the powers to the benefit of the people."

The passage of the constitution marks one of the final milestones of an ambitious UN-sponsored peace plan designed to end more than two decades of war, revolution, foreign occupation and civil strife.

A \$1.7 billion, 22,000-member UN peacekeeping mission appears to have created the framework of a fragile but workable democracy, with the radical Khmer Rouge guerrillas increasingly marginalized and uncracked by the army.

But it is unclear whether the imminent end of the peacekeeping mandate will be followed by democratic government, or by the con-

tinued domination of the former Communist Party that lost the May elections but still controls the security forces and provincial administrations.

A late addition to the charter effectively bars the Khmer Rouge from joining a new government to be created shortly, diplomats said.

The radical Communist group, which has been waging a guerrilla war since its ouster from power in 1979, refused to participate in the May elections and has no elected representatives.

The constitution requires that government ministers and deputy ministers be chosen from parties represented in the assembly, thus apparently precluding high-level Khmer Rouge participation in the government. Such participation had been suggested by Prince Sihanouk, but was seen as a major obstacle to U.S. aid for Cambodia.

In a message from Beijing, where he is undergoing medical treatment, the prince, 70, congratulated the assembly for "an extremely democratic and liberal constitution, of which our country and its valiant people have every reason to be proud."

Prince Sihanouk said he planned to visit Phnom Penh on Thursday to sign the new constitution and bid farewell to the UN peacekeeping mission before flying back to Beijing Sept. 26 for surgery.

# Editor Quits At Paper in Hong Kong

*Reuters*

**HONG KONG (Reuters)** — The editor of Hong Kong's Sunday Morning Post, Peter Lynch, has resigned, shortly after the newspaper published an apology to mainland Chinese officials for alleging a major fraud.

An internal memo issued Tuesday to the staff of the newspaper, which is owned by Rupert Murdoch, announced Mr. Lynch's resignation "with regret" but gave no reason for his departure.

Earlier this month the newspaper and its subcommittee, the South China Morning Post, published statements of regret that the articles had been published. They alleged that Chinese officials had siphoned off \$28 billion. The official People's Daily newspaper later said the newspaper's publishers had agreed to pay \$320,000 to charity.

The Sunday Morning Post has also run a series of articles about an explosion last year at a Hong Kong power station that killed two workers. Mr. Lynch has been reported to Attorney General Jeremy Matthews for possible prosecution for contempt of court.

# A Chinese Is Picked As Top Patten Aide

*The Associated Press*

**HONG KONG** — In a striking reminder of Britain's approaching departure from Hong Kong, Anson Chan was named chief secretary on Tuesday, the first Chinese to gain the No. 2 job in the colonial government.

Mrs. Chan, 53, a career civil servant, will also be the first woman to hold the post, which is second only to the London-appointed governor.

In choosing Mrs. Chan, Governor Chris Patten appeared to be sending the Chinese a double message: that he is committed to leaving the colony in the hands of its native elite when Beijing takes over in 1997, and that he wants to do it on his own terms.

Mrs. Chan has staunchly backed Mr. Patten's proposals for broadening democracy in Hong Kong in the face of fierce objections from China, which says that Britain has no right to impose its parliamentary structures on the colony.

Mrs. Chan said that Mr. Patten had sought democratic changes that were "fair, open, transparent and acceptable to the people of Hong Kong."

"And of course, we all fully support that," she said.

Mrs. Chan declined, however, to be drawn into criticizing China's human rights record or its opposition to democratizing Hong Kong. She said she was confident that "Hong Kong has a bright and promising future" under Chinese rule, provided both sides negotiate the transition in good faith.

Mrs. Chan is now secretary of the civil service, and will succeed Sir David Ford, the outgoing chief secretary, in November.

"To be absolutely frank, that spirit of cooperation and goodwill seems to ebb and flow," she said in reply to a question about the British-Chinese negotiations on Hong Kong.

"But I am sure that both the Chinese and ourselves realize that the years remaining to achieve a smooth transition are not all that many."

Mrs. Chan is described by colleagues as a tough, highly principled technocrat. But some find her too tough.

"She's colonial in the sense of being very enterprising," said Albert Chan, a member of the Legislative Council.

He conceded that Mrs. Chan was "a good and capable person to defend Patten's blueprint." But he said he feared that her no-nonsense style would alienate Beijing officials.

"She's not the type of person who will spend time developing a social relationship first," Mr. Chan said.

Mrs. Chan said that being Chinese would make it "easier for me to communicate with them."

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# C. L. Sulzberger, Journalist, Dies at 80

By Robert D. McFadden  
*New York Times Service*

**NEW YORK** — C. L. Sulzberger, 80, a prize-winning foreign correspondent and foreign affairs columnist for The New York Times for nearly 40 years and the author of two dozen books, most of them on foreign policy and world leaders in the Cold War era, died Monday at his home in Paris.

Mr. Sulzberger, who gave up his Op-Ed page column in the New York Times in 1978 but continued writing his memoirs and books on foreign affairs, died of natural causes after a long illness, his family said.

The son of Leo Sulzberger, he was a nephew of Arthur Hays Sulzberger, publisher of The New York Times from 1935 to 1961. He was also a first cousin of Arthur Ochs Sulzberger, chairman of the Times Company, who was publisher of the paper from 1963 to 1992.

In a career that began in the Depression and spanned World War II, the Korean, Vietnam, and Cold Wars and the rise and fall of nations, Cyrus Leo Sulzberger roamed the world from his long-time base in Paris to interview historic leaders and to chronicle and analyze the major events of his

time. His columns offered portraits of leaders and nations, opinions on foreign news and critiques of American foreign policy.

As a reporter and commentator, he had the inestimable gift of a quick study: the ability to land in the morning in Moscow or Beijing, Prague or Johannesburg, and, with the benefit of speedy access to top leaders, to write by nightfall a cogent report giving the impression he had stepped himself in the subject all his life. And his access was to almost every important personage anywhere.

From presidents and prime ministers in their inner sanctums to royals in palaces and rebels in mountain strongholds, he crisscrossed and circled the world to talk to and write with insight about a host of major leaders — Stalin and Nikita S. Khrushchev, Mao Zedong and Zhou Enlai, John F. Kennedy and Richard Nixon, Winston Churchill and Charles de Gaulle, and many heads of government and state, ambassadors and foreign ministers, generals and secret agents.

After graduation from Harvard in 1934 and five years with other news organizations in the United States and abroad, Mr. Sulzberger

joined The New York Times in 1939 and was its chief foreign correspondent from 1944 to 1954, when he became a columnist. His column, "Foreign Affairs," appeared three times a week, on the editorial page until 1970, then on the Op-Ed page until his retirement in 1978. Thereafter he often wrote editorial columns for the International Herald Tribune.

Mr. Sulzberger, who was banned from half a dozen countries for his reporting and won a special Pulitzer Prize citation in 1951, ranged over the field of foreign affairs, touching on military power, economics, diplomacy, industrial and agricultural production, and especially the ideas and personalities of leaders.

He candidly acknowledged that his entries into presidential chambers, rebel hideouts, and royal palaces was enormously eased by his role as a New York Times correspondent and columnist, by his connections to the family that owned the newspaper, and, especially, by the desire of world leaders and revolutionaries to get maximum attention for their views through its widely read columns.

A tall, bespectacled man with white hair and a thin smile that

captured a blend of worldly wit and solemnity, Mr. Sulzberger was remembered by colleagues at The New York Times as convivial and generous, a raconteur who could be pugnacious at times but who also was a good listener and a good friend.

As chief correspondent of The New York Times from 1944 to 1954, he directed the coverage of the end of the war in Europe with a distinguished group that included Drew Middleton, Raymond Daniel, Herbert L. Matthews, Clifton Daniel, and James Reston.

After the war, Mr. Sulzberger chronicled the division of Europe into Western and Communist spheres, analyzed rival guerrilla movements in Yugoslavia and drew out for readers the complex character of Tito and a special Pulitzer Prize citation in 1951 for a prison-camp interview in Yugoslavia with Archbishop Alojzije Stepinac, whose 1946 conviction on war-crimes charges signaled the start of the postwar struggle between church and state in Eastern Europe.

Mr. Sulzberger's many books included "The Big Show," published in 1956, a personal exploration of the Soviet Union and its satellite countries in Eastern Europe under



Mr. Sulzberger, who was a prize-winning foreign correspondent and foreign affairs columnist for The New York Times for nearly 40 years.

# Frederick Steward, Botanist, Dies

*New York Times Service*

**Frederick Campion Steward, 89, a botanist and cell biologist whose research in the late 1950s reshaped scientific knowledge of how plants regenerate, died Monday in Tuscaloosa, Alabama. He had been in poor health for several years.**

Mr. Steward, a Cornell University professor emeritus of biological sciences, was a leading scientific figure in the development of modern plant physiology. His most im-

portant contribution occurred in 1958, when he established that plants could be totally regenerated from one cell.

The finding revolutionized the world of plant cell biology, establishing for the first time that plant cuttings and shoots were no longer required to propagate hybrids and create mutations. Such a discovery meant that clones, hybrids and mutations of plants could be accomplished in the laboratory rather

than having to resort to the far longer and cumbersome process of taking and then cultivating cuttings.

Charles LaMoet, 98, who directed more than 100 movies, including nearly all of the Abbott and Costello comedies and many Ma and Pa Kettle features, died of pneumonia Saturday. He was a fourth-generation actor who appeared on stage and in films before he began directing comedy shorts in the 1920s.

Fernand Ledoux, 96, a celebrated actor with one of the longest careers in French theater and cinema, died Tuesday in Villerville in Normandy. With more than 800 plays and movies to his credit, he was among France's most prolific actors, playing in movies directed by Jean Renoir and Marcel Carné.

Raphaël T. Smith, 26, a graduate student in international affairs at Columbia University and a former editorial assistant at the International Herald Tribune, was killed last week in Bulgaria in a motorcycle accident. He was traveling around the world by motorcycle, retracing a trip by his stepfather decades ago.

# Quake Hits Oregon and California, Causing Rock Slide That Kills Driver

*The Associated Press*

**KLAMATH FALLS, Oregon** — A moderate earthquake shook southern Oregon and northern California, killing a motorist in a rock slide and damaging buildings. A second person died, apparently of a heart attack.

The quake, measuring 5.7 on the Richter scale, struck at 8:29 P.M. on Monday and was centered 15 miles (25 kilometers) northwest of Klamath Falls, said the National

Earthquake Information Center in Golden, Colorado.

The quake, followed by two strong aftershocks, caused scattered power and phone outages in southern Oregon.

The quake was felt as far north as Eugene, Oregon, more than 150 miles away, and as far south as Redding, California, 110 miles away.

No significant damage was reported in northern California.

**DEATH NOTICE**  
**FRIEZEILL BAILLARD**  
died Sept. 18, leaving behind his wife, mother, siblings and devoted friend. Mass will be celebrated at 10:30 a.m. Sept. 23, at St. Nicolas du Chardonnet, Paris 5<sup>e</sup>.

**DEATH NOTICE**  
**SHAMMAS - SHUKRI HANNA**  
Passed away on Friday, September 17th, 1993, in Rabiya, Lebanon. Beloved husband of Olga Khouri and the father of Issam, Nizam, Hiyam, Silvan, the late Mounir and Angeline, Caesar and Mona.

Shukri Shammas was a distinguished engineer, business figure and educator. He was one of the three founders of C.A.T. Company which pioneered modern contracting techniques in the Middle East and branched out to Europe, the United States, the Far East and Africa.

He was Mayor of Rabiya, Chairman of the Rabiya Company and of Tourism & Hotel Development Corporation S.A.L., President of Motherhood Limited and Managing Partner of C.A.T. Company and its subsidiaries as well as Chairman of Alltime Tourist Complex Limited, owners of the SHERATON LIMASSOL Hotel & Resort and the Limassol Pleasure Harbour in Cyprus.

In addition to numerous other important positions, he served for many years on the Board of Trustees of the American University of Beirut.

He was decorated for his achievements and social contributions by the Greek Orthodox Church in 1956 and 1957 and he was honored with the Cedars National Medal by the Lebanese Government in 1972.

The funeral took place on Sunday September 19th, at Mohieddine Greek Orthodox Church in Lebanon.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Unsuited for the Olympics

The International Olympic Committee is meeting in Monte Carlo this week to pick the site for the Summer Games in the year 2000. Of the five cities seeking the prize, Beijing has the weakest claim.

Obviously willing to play politics when it suits their purpose, the Chinese joined in boycotting the Moscow Games. But politics is not really the issue in this case. The overriding issue is human rights.

A Stumble in Poland

Hailed for the success of its free market reforms, Poland's reform leadership is paying the political price. Voters in parliamentary elections voted first and second for the parties most rooted in the country's Communist past.

(and elsewhere) for the past four years has sharpened class distinctions, and these parties were in a position to exploit it. Some heavy politicking is still to be done before a government is put together.

Two World Chess Titles

During the Cold War, chess title matches became surrogate struggles between East and West, as between Bobby Fischer and the Soviet champion Boris Spassky in Iceland. Or between loyalists and dissidents within the Soviet Union.

sional Chess Association and found a sponsor in Rupert Murdoch, who is providing television coverage and ample promotion in his newspaper, The Times, in London. That helped Mr. Kasparov square accounts for what he saw as FIDE's favoritism in suspending the title match in which he was beating Mr. Karpov, the cynosure of the Soviet chess establishment.

Other Comment

Expect Oil Demand to Rise After years of stagnation, the demand for oil looks set to surge. As the industrial economies revive and the former Soviet economies approach the limits of their decline, their need for extra oil will be added to the growing demand from Latin America and Southeast Asia.

It will watch the Games. So the members of the International Olympic Committee are invested with extraordinary influence. The debate preceding this week's IOC meeting has been particularly bad-tempered. More is at stake than international respectability.

Too Much Olympic Politics

In Monaco on Thursday, fewer than 100 men and women will decide where the world will meet for the 22nd Olympiad in the year 2000. About 60 percent of the planet's inhab-

Since political and ethical arguments can never be resolved, the IOC should base its selection exclusively on the sporting and spectator facilities the competing venues can offer, as well as the inevitable commercial considerations.



Against the Grain, a Brave New Internationalism

WASHINGTON — Bill Clinton and his chief advisers are taking to the highways to articulate a new internationalism for Americans. They do a noble and necessary thing that could be called the Lord's work. But they will have a devil of a time.

By Jim Hoagland Daniel Yankelovich and John Immerwahr write in a paper prepared for this summer's American Assembly, a prestigious public policy gathering. "There is a concern that foreign policy leaders will distract the country from more pressing domestic issues."

guay Round. At stake is a trade agreement that would have 10 to 20 times the economic benefits for the United States than NAFTA holds.

In Beijing-New Delhi Thaw, Hopes for a United Asia

SINGAPORE — The recent thaw in India's relations with China has rekindled hopes of what Prime Minister P. V. Narasimha Rao described in Beijing as "an Asian resurgence."

By Sunanda K. Datta-Ray specific programs to increase trade and cooperate in broadcasting and protecting the environment.

lectual property rights. India and China now feel that they are victims of America's self-appointed role as global policeman for arms control.

Indo-Russian Goals for Central Asia

NEW DELHI — India's relations with Russia have been far from happy, but the two countries' interests converge in the former Soviet states in Central Asia.

By S. Nihal Singh The Indo-Russian study is a guide to Moscow's hopes and fears and to the Indian government's approach. Among its central conclusions: Uzbek nationalism is the most potent factor in Central Asia's ethnic mix.

ter advance of about 10 miles, reaching the line Krimovo, Strigovo, Dragosl, Polosko. Serbian cavalry forces are operating considerably north of this line.

Don't Make Olympics A Mockery

By A. M. Rosenthal NEW YORK — The world will not come to an end if the International Olympic Committee picks Beijing for the site of the Games in the year 2000. But the Olympics will, at least for two important groups of people the Olympics will end.

Other cities to choose among — Sydney, Manchester, Istanbul, Berlin. And there is still a bit of time to remind it of the arguments against Beijing as set down by men and women of the U.S. Congress.

International Herald Tribune advertisement listing contact information for the New York, London, and Singapore offices, including names like Katharine Graham and Richard D. Sullivan.

Handwritten text at the bottom of the page: 'The World is...' and '010'



OPINION

Make the United Nations Strong on Human Rights

By Jimmy Carter

ATLANTA — As the United Nations General Assembly convenes, it faces an unprecedented opportunity to strengthen its leadership role in promoting and defending the fragile cause of human rights.

community in protecting these rights worldwide. It reaffirmed the interdependence of all human rights, the importance of economic, social and cultural rights, and the right to development, and adopted practical steps to promote and protect the rights of women and indigenous peoples.

structured and managed UN Center for Human Rights can be the resource, research and information base supporting the work of this special commissioner.

and independent, appointed by the General Assembly, to which he or she would report. This is an important safeguard to avoid the selectivity and the double standards pervading the work of the commission and the Security Council.

Flying West With the Old Man

By Kim Murphy

TUNIS — The voice on the telephone was clipped and curt. "Be in the lobby of the Hilton at 7 A.M. And lush this."

what was probably the most important trip of his life, eased into one of the lounge chairs and stared silently out the window as the city of Tunis faded from view under the dimming jet.

MEANWHILE

the lobby trying to look lush. Eventually, two PLO aides drove up and told us to report to the VIP terminal at Tunis International Airport, where we spent the next several hours having our luggage and gear checked for stray bombs or automatic weapons.

For most of the trip, Mr. Arafat sat chatting amiably with his aides, among them Mohammed Abbas, the quiet intellectual who had drafted the PLO's peace initiative and soared to prominence within the organization as the peace movement took hold, and Ahmed Suleiman Khawari, the PLO financial wizard who headed the secret peace talks in Norway.

The Dying May Be Over, but El Salvador Still Needs UN Help

By Perdita Huston

SEGUNDO MONTES, El Salvador's Leonardo Ramirez returned to her ancestral village a year ago. During 12 years of civil war, her life had been in turmoil.

humanitarian assistance is being closely examined, let us not forget another essential task: peace management. That task is crucial to continued peace in this tiny war-torn nation.

she says she is. When she fled with her husband and six children, there was no time to take birth certificates or property deeds. Their home was looted and set afire, as was the town hall.

UN-inspired courses in small business management, nutrition, human rights and even self-esteem have prompted government agencies to begin similar initiatives.

weeks of talking with representatives like Doña Leandra or sophisticated residents of the capital, one wonders if it is wise for the observers to leave so abruptly.

LETTERS TO THE EDITOR

Save Brazil's Children

In response to the report "5 Police Arrested in Rio Killings" (Sept. 6): The killing of 21 Brazilians, including innocent youths, in a Rio de Janeiro shantytown was shocking to this largely industrialized nation of 157 million people.

an effort to rebuild the French-German oil pipeline, although the Germans care little. An activist government has proposed lower tax rates and a plan, however haphazard, to reduce unemployment. Major privatization plans are pouring forth although capital is tight.

From my technical evaluation of the oil and gas potential of Somalia for various oil companies, one must conclude that the chances for commercial success there are slim.

posed — all of this on land that is held by the Berawan people. The land is being encroached upon and the people threatened with relocation. These local people are being exploited. They are not against further development, only stipulating that it should be appropriate to the character of Muhi.

The writer is preparing a book on diverse types of families and their problems in 12 countries around the world. She contributed this comment to the International Herald Tribune.



Profiles in Courage

The writer is the Los Angeles Times' correspondent in Cairo.

Cheer Up, France

The French are more depressed than their slowdown/recession merits despite France's troubling unemployment rate — 11.7 percent and rising.

Oil in Somalia. Regarding "Somalia: One Reason Why" (Letters, Sept. 7): The writer implies that there is a connection between the U.S. military involvement in Somalia and U.S. oil investments. Although it is true that the four American oil companies mentioned in her letter held concessions in that country before the overthrow of President Mohamed Siad Barre in January 1991, Somalia is only of marginal interest to the oil industry and it is unlikely that any company would want any U.S. military involvement on their behalf.

Rain Forest Golf. The great caves of Sarawak are one of Malaysia's great natural wonders, situated in the Mulu National Park on the banks of the Melinau River. The Berawan people have lived along this river for many generations. They were instrumental in bringing the caves to the notice of the outside world, and in assisting with their exploration and development for visitors. They have formed four companies and built modest but comfortable guest houses close to the caves. Development has been on a limited scale in keeping with the nature of the site.

Serious Graphology. Regarding the report "You Are What You Write" (Aug. 3): Barry James deplores the fact that graphology is serious business in France.

The launch of the EC's Single Market at the start of this year represented a milestone in the economic integration of Western Europe. In the meantime, however, the strains created by both German unification and recession in Europe have confounded the Community with a serious dilemma.

BOOKS

WHY MEN HATE WOMEN

By Adam Jukes. 345 pages. \$15.95. Free Association Books. Reviewed by Katherine Knorr

THE cover of "Why Men Hate Women" says it is "a book written for men that every woman should read." It is difficult, however, to imagine many men getting further than the introduction, where psychotherapist Adam Jukes says that all men hate women, even if they don't know it, and that a sex murderer is not all that different from the mild-mannered guy who makes jokes about how dumb women are.

although the evidence the men cite, when they cite any, seems ridiculous. "All abusive men feel like victims, and erect complex mental structures to maintain denial of their actual sadism, hatred and rage," Jukes says.

separation. "In apocalyptic thinking, firmly focused on male violence," he writes, "the world will never be free of aggression and war as long as there are men in it, or so long as men remain in control."

women have been raped"). The truth is, the status of women in the developed world has never been better. You can't compare the "glass ceiling" in the West with dowry deaths in India.

BEST SELLERS

Table with 3 columns: Rank, Title, Author. Includes titles like 'The Bridges of Madison County', 'The Client', 'The Golden Mean', 'The Night Manager'.

BEST SELLERS

Table with 3 columns: Rank, Title, Author. Includes titles like 'Starless Night', 'Case of Need', 'Pleading Guilty', 'Consider This', 'Nonfiction', 'Care of the Soul', 'The Fifties', 'Case Closed', 'Days of Grace', 'Mama Makes Up Her Mind', 'Girl Interrupted', 'Eating and the Mind', 'Advice, How-to and Miscellaneous', 'Ageless Body, Timeless Mind', 'Eat More, Weigh Less', 'Men Are From Mars, Women Are From Venus', 'Food - Your Miracle Medicine'.

VIEWPOINT The Commerzbank report on German business and finance

A second chance for "Fortress Europe"?

"The regions with the greatest growth potential lie outside the EC."

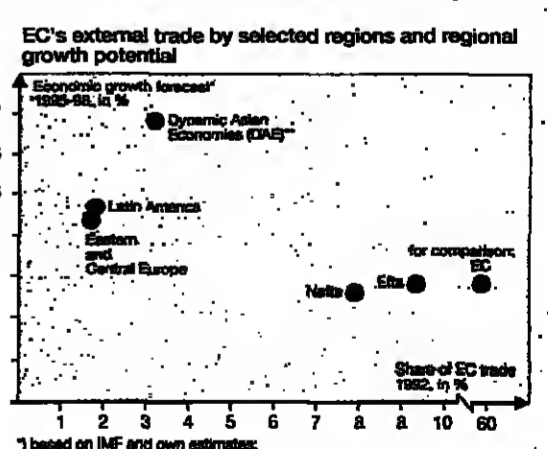
quoting and ceilings for imports from developing countries of what it considers sensitive goods — a category which is stretched to the very limit.

Examples of this abound; they include the EC's new restrictions on imports of "dollar bananas"; its conflict with the U.S. on public procurement (especially in telecommunications); the dispute over the Japanese car exporters' "voluntary restraint" agreement and the controversial ban on meat imports from Eastern Europe. Even though, as a recent GATT study showed, improved market transparency and a more uniform legal framework have made access to the EC market easier for third countries, fears of a "Fortress Europe" mentality are growing.

No clear-cut strategy. The EC's harmful Common Agricultural Policy and its anti-dumping measures — some 160 of which were in force at end-1992 — remain bones of contention with its external trading partners.

Unlike the members of Nafta and its Asia-Pacific counterparts, the EC countries already have a highly integrated common market, with stronger trade in services likely to provide the main impetus for growth. The entry of the four EFTA applicants will not generate any marked expansion in trade, as their economies are already closely linked with those of the EC.

Thus, if its members wish to boost their exports significantly, they will have to look beyond the EC's borders. Indeed, the regions with the greatest growth potential lie outside the EC. For this reason, the European Community would



based on IMF and own estimates; \* Korea, Taiwan, Hong Kong, Singapore, Thailand, Malaysia

be well-advised to abandon its current tariff system based on preferential market access. It should pursue a multi-lateral approach and do all that it can to bring the Uruguay Round to a successful conclusion. The countries of Central and Eastern Europe in particular urgently need a radical opening-up of the EC's markets.

COMMERZBANK German know-how in global finance

VIEWPOINT is prepared as a service to the international business and financial community by Commerzbank Economic Research Department. P.O. Box 10 01 05, D-60005 Frankfurt am Main, Germany. International presence: Amsterdam, Antwerp, Athens, Bangkok, Barcelona, Beijing, Bombay, Brussels, Budapest, Buenos Aires, Cairo, Caracas, Chicago, Copenhagen, Dublin, Geneva, Gibraltor, Grand Cayman, Hong Kong, Istanbul, Jakarta, Johannesburg, Kiev, London, Luxembourg, Madrid, Manama (Bahrain), Mexico City, Milan, Moscow, New York, Osaka, Paris, Prague, Rio de Janeiro, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tokyo, Toronto, Warsaw, Zurich.







MARKET DIARY

STOCKS: From Russia, a Sell-Off

Continued from Page 11 adjustments," said Peter DaPuzzo, senior managing director at Cantor, Fitzgerald & Co., referring to the increase to 35 percent in corporate taxes approved by Congress in August.

"There's not a great deal of confidence" in analysts' earnings forecasts, said Barry Beard, head trader at Robert W. Baird & Co. in Milwaukee.

For most of the session, investors were preoccupied with the domestic economy and a perception that interest rates are turning higher, said Thom Brown, managing director at Rutherford, Brown & Catherwood in Philadelphia.

Rising long-term interest rates lead to concern that the economic recovery will be choked off, lessening the appeal of stocks relative to fixed-income investments.

Long-term interest rates began to rise after the Commerce Department said housing starts in August rose an unexpectedly strong 7.3 percent to an annual rate of 1.323 million. The ovens helped drive the yield on the benchmark 30-year Treasury bond to 6.13 percent from 6.10 percent on Monday.

"Interest rates are sneaking back up again," Mr. Brown said. "There's a fairly widely held belief that low interest rates mean higher

stock prices and vice versa, and that the momentum you see higher interest rates, get out of stocks."

Long-term interest rates have risen from a record low of 5.84 percent reached on Sept. 8 amid concern inflation may accelerate.

"There's another perception around that the market is in very pricey territory," Mr. Brown said. The S&P 500, for instance, sells at 23.2 times last year's earnings and yields 2.8 percent, historically a sign that stocks are expensive.

Drug stocks rallied after an aide to President Bill Clinton said the administration would consider adjusting its formula for financing health care, and might phase in long-term care more slowly. Merck & Co. rose 1 1/2%, Bristol-Myers Squibb climbed 1 1/2%, Johnson & Johnson rose 1 to 38% and Pfizer Inc. gained 1 1/2 to 60%.

Temporary-employment stocks were lower after James Chanos, head of Kynikos Associates, a large short-selling firm, was quoted as saying in a newspaper column that the companies stand to lose from Mr. Clinton's proposed health-care reforms because it would force employers to provide health insurance even to part-time workers.

Manpower Inc. fell 1 to 15%, Olsten Corp. dropped 2 1/2 to 27%, Kelly Services A shares fell 2 1/2 to 23%, Adia Services skidded 2 1/2 to 23% and Robert Half International Inc. dropped 3 to 26%.

DOLLAR: Yeltsin Sends It Higher

Continued from Page 11 November futures for Brent blend crude oil, the world benchmark, traded as high as \$16.98 per barrel, up almost 75 cents a barrel.

Gold shot ahead as traders speculated that turmoil in Russia could disrupt production of the metal.

Gold for December delivery was up \$9.50, at \$365.00 an ounce, on the New York Commodities Exchange.

Platinum for October delivery was \$4.40 higher, at \$366.00 an ounce, and silver for December delivery was \$9.3 cents higher at \$4.215 an ounce.

Former Soviet republics together constitute the fourth-largest gold producer in the world, accounting for more than 10 percent of new mined production each year.

"It's all Yeltsin. There's a euphoria surrounding the news," said Scott Meyers, commodity analyst with Rodel Trading in New York. "It's much too early to tell" whether the jump in prices will last, he said.

The dollar gained against the yen, meantime, after Treasury Secretary Lloyd Bentsen said the Bank of Japan's interest-rate cut Tuesday would help curb Japan's swelling trade surplus. The Bank of Japan cut its discount rate to a record low 1.75 percent from 2.5 percent

in an effort to jump start the slumping economy. "Bentsen's comments are just another reason to buy dollars," said Amy Smith, market strategist at IDEA, a financial consulting firm.

The dollar jumped to 106.33 yen from its Monday close of 104.65. The U.S. government has pressed Japan to spur domestic demand for U.S. exports in order to balance trade between the two nations. If U.S. officials are satisfied with Japan's efforts, they will refrain from talking up the value of the yen.

President Bill Clinton and Mr. Bentsen have both said that the strong yen could help curb the surplus by making Japanese exports more expensive. Those comments sent the dollar tumbling against the yen earlier this year.

The dollar also rose against other currencies. It rose to 5,707 French francs from 5,619 on Monday and to 1,425 Swiss francs from 1,401. The pound fell to \$1.5143 from \$1.5320.

Earlier in Sydney, the Australian dollar surged after the Reserve Bank governor, Bernie Fraser, said in a Tokyo speech that the central bank was prepared to lift interest rates, if necessary, to snatch sharp plunges in the currency.

The dollar jumped to 65.16 U.S. cents from an intraday low of 64.87 cents. (Bloomberg, Reuters)

The Dow table showing high, low, and close prices for various stocks and indices.

Dow Jones Averages table with columns for Open, High, Low, and Close.

Standard & Poor's Indexes table listing various market indices.

NYSE Most Actives table listing top trading stocks.

AMEX Most Actives table listing top trading stocks on the AMEX.

NASDAQ Most Actives table listing top trading stocks on the NASDAQ.

European Futures table listing various international market futures.

Food table listing various food-related futures contracts.

Metals table listing various metal futures contracts.

Stock Indexes table listing various stock market indices.

Dividends table listing various dividend-paying stocks.

Financial table listing various financial futures contracts.

Commodity Futures table listing various commodity futures contracts.

Spot Commodities table listing various spot commodity prices.

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Housing Starts Rocketed in August

WASHINGTON (AP)—Housing starts shot up 7.3 percent in August to the highest level in three-and-a-half years, the government said Tuesday. The Commerce Department said construction of new homes and apartments totaled a seasonally adjusted annual rate of 1.32 million, the highest level since 1.44 million in February 1990. It was the steepest increase since an 11.1 percent gain a year earlier.

Applications for building permits, a barometer of future activity, jumped 7.5 percent in August, to a 1.25 million rate, after posting a 4.2 percent advance a month earlier.

Digital Communications Sells Out

ALPHARETTA, Georgia (Bloomberg)—Digital Communications Associates Inc. said Tuesday that it had agreed to sell itself to affiliates of Welsh, Carson, Anderson & Stowe and the Sprout Group for \$18.75 a share, or about \$195 million.

The price was 25 cents a share higher than the bid of \$18.50 made by the acquiring group after the close of business on Friday. The computer products company's shares, which rose \$3.50 on Monday, ended up \$1.50 on Tuesday, at \$18.625, on the New York Stock Exchange.

The transaction will be funded by Welsh, Carson, an investment firm specializing in buyouts in the information processing and health-care industries; Sprout Group, the venture capital affiliate of Donaldson, Lufkin & Jenrette Inc.; and bank financing.

Chase Sells Some Real Estate Assets

NEW YORK (Bloomberg)—Chase Manhattan Corp. said Tuesday that it had sold \$725 million in commercial real estate loans and properties.

A Chase spokesman refused to elaborate. But a person familiar with the transaction said the assets were sold for about \$400 million, or 55 percent of face value.

The person said the bank sold six pools of assets. The buyers included two real estate firms, Colony Capital Corp. of Los Angeles and Aldrich, Eastman & Walch of Boston.

Outside Bid for Katy Industries Gains

ELGIN, Illinois (Combined Dispatches)—An outside \$261 million bid for Katy Industries Inc. appeared on Tuesday to have beaten a competing offer from the controlling family.

Katy, a diversified manufacturer, said that a special committee appointed to evaluate buyout proposals concluded that a 25%-share offer by Roscoff Pender Partners was credible and "merits further exploration."

The stock fell \$1, to \$26.25 a share, on the New York Stock Exchange. The committee withdrew its approval of a \$25.75-a-share offer by members of the Carroll family, who hold more than 52 percent of Katy's outstanding common stock, and the family said it expects to terminate its merger agreement with Katy's board. (Bloomberg, Reuters)

Ford Pulls Out of Venture With Fiat

DETROIT (Bloomberg)—Ford Motor Co. said Tuesday it has ended its minority participation in New Holland NV, a subsidiary of Fiat SpA, by giving up its 6 percent stake in the tractor and agricultural company.

A Ford spokesman could not immediately say if Ford sold the stake to Fiat or realized a cash gain from completing the divestment.

For the Record

Tower Air Inc., a charter airline that files from New York to Los Angeles, Miami, Paris and Israel, filed with the Securities and Exchange Commission to sell 3.75 million shares of common stock to raise \$50 million. (Bloomberg, Reuters)

Coca-Cola Co. will pay \$30 million for all brands owned by the Indian soft drinks leader Parle Exports Ltd. and set up two 50-50 ventures with Parle to bottle and market Coca-Cola drinks. (Reuters)

Ujahn Co. elected Richard Brown, vice chairman of Ameritech Corp., and Geraldine Kenney-Wallace, president of McMaster University in Ontario, to its board. (Reuters)

Canal Plus Profit Rises 33%

PARIS—The Canal Plus television network reported a profit jump on Tuesday, but the Pechiney aluminum and packaging company announced a net loss for the first half of 1993 million francs (\$71 million), against a profit of 782 million francs a year earlier.

Pechiney said it would be unprofitable in the second half because of low aluminum prices but the loss would be "well under" the first-half loss.

Canal Plus reported net profit of 676 million francs for the first six months, up 33.3 percent. That improvement was due to an extraordinary item of 160 million francs, which included 140 million from Chargeurs Group, which became a stockholder in CanalSatellite this year.

WORLD STOCK MARKETS

World Stock Markets table listing stock indices and prices for various international markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Singapore, Stockholm, Toronto, Zurich, and others.

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U.S. FUTURES

U.S. Futures table listing various futures contracts including Grains, Metals, Limestone, and others.

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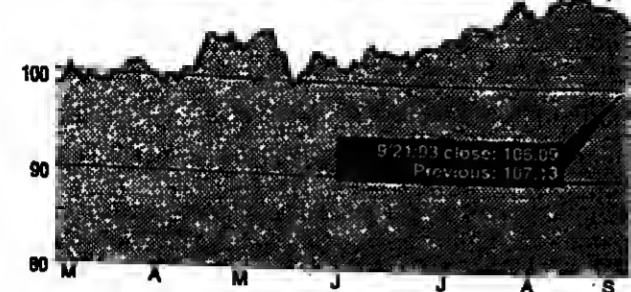
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## THE TRIB INDEX: 106.09

International Herald Tribune World Stock Index 6, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. Weighting	Close	Prev.	% Change
Asia/Pacific	25%	122.99	124.35	-1.1%
Europe	40%	104.88	106.54	-1.6%
N. America	35%	92.09	92.07	+0.02%

Industrial Sector	YTD	Pre.	% Change
Energy	104.33	104.78	-0.4%
Utilities	112.19	113.11	-0.8%
Finance	118.42	118.04	+0.3%
Services	114.51	115.30	-0.6%
Capital Goods	101.01	101.32	-0.3%
New Materials	102.46	103.79	-1.2%
Consumer Goods	89.20	89.89	-0.7%
Miscellaneous	109.09	109.91	-0.7%

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 101 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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## Michelin Job Cuts Spur Loss

Compiled by Our Staff From Dispatches  
PARIS — Compagnie Générale des Etablissements Michelin SCA said Tuesday it had a first-half loss of 3.19 billion French francs (\$565.4 million), reflecting slumping sales in Europe and Japan and a big charge for a job-cutting program.

Although its finance director, Eric Bourdais de Charbonnières, called the results "disappointing," they were close to analysts' forecasts of a 3 billion-franc loss. Revenue at the world's largest tire maker fell 7.5 percent, to 30.62 billion francs. Michelin, which has about 20 percent of the world tire market, had profit of 820 million francs a year earlier.

The first-half loss included a provision of 2.64 billion francs to cover the cost of a two-year job-cutting program in Europe and North America. "A sharp drop in costs is indispensable for the competitiveness of the group," said Mr. Bourdais de Charbonnières.

The provision will cover the costs of a previously announced plan to cut 2,950 jobs in France, 2,500 jobs in North America and some jobs in Spain. The company, which is based in Clermont-Ferrand, France, said in June that its Spanish unit, SAFE Navarra, had 2,500 employees too many. But even excluding these provisions, profit was down sharply. First-half operating profit, which excludes financial costs, tax and exceptional items, fell 71 percent from the first half of 1992, to 793 million francs.

The decline was blamed on a 16 percent fall in sales of car tires and a 27 percent drop in truck-tire sales. In addition, pricing pressures in the United States whittled down profit margins, Michelin said.

Although its fall in sales seemed to have bottomed out in the first quarter, Michelin said, it was too early to announce the end of the downturn.

"We should be ready to confront a crisis which could last," Mr. Bourdais de Charbonnières said.

(Reuters, AFP, Bloomberg)

## Paramount Is in Play

### Stock Soars on Possibility of More Bids

Compiled by Our Staff From Dispatches  
NEW YORK — Expectations of a bidding war for Paramount Communications Inc. pushed the company's stock up in active trading Tuesday, analysts said. Paramount ended up \$7.625 a share, at \$71.375, on volume of more than 6.5 million shares.

Late Monday, QVC Network Inc., led by the veteran entertainment executive Barry Diller, surfaced with a \$9.5 billion bid for the company, far exceeding Viacom Inc.'s cash-and-stock offer, which is currently valued about \$7.5 billion.

Jessica Reif, an analyst at Oppenheimer & Co., said QVC, which operates a home-shopping cable-television channel, seemed to have the upper hand for the moment. "Any way you look at it, QVC has a much stronger bid," she said.

Analysts and analysts said Sommer Redstone, the Viacom chairman, would have to match Mr. Diller's offer if he wants to stay in the bidding. Before taking control of Viacom in 1987, Mr. Redstone raised his offer for that company several times. Mr. Diller was head of Paramount's film studio in the early 1980s.

Ted Turner, the head of an international cable-television, film and entertainment organization, has clearance from the board of his Turner Broadcasting System Inc. to explore a possible bid for Paramount, a movie, television and publishing company.

But he may have less of a chance of getting financing for a bid now that QVC's bid has the backing of another major cable operator, John Malone. Mr. Malone's Tele-Communications Inc. owns about 22.5 percent of Turner Broadcasting.

Viacom, an entertainment and communications concern, and Paramount have said their merger would be a perfect fit. "Paramount, with its wealth of strength in original programming, and Viacom, with its powerhouse of cable-television networks targeted to the youth market" would be a powerful combination, Edward Hatch, an analyst at UBS Securities Ltd., said.

But with the entertainment industry at the center of the changes sweeping through communications technology, there was speculation that other bidders could step forward, such as

Bertelsmann AG or Blockbuster Entertainment Corp.

Paramount's board was notified of the QVC bid by letter Monday. With the prospect of more offers and counteroffers to come, its chairman, Martin S. Davis, may have to take a back seat to the 10 independent members of his board, who would weigh the competing offers and decide who buys the company.

What would make a QVC victory all the more bitter for Mr. Davis is that Mr. Diller is QVC's chairman. Mr. Diller left Paramount in 1983 after a series of battles with Mr. Davis, who had replaced Mr. Diller's mentor, Charles G. Bluhdorn. Mr. Diller then went on, first, to create the Fox television network and then to expand QVC.

Because both Viacom and QVC are offering stock as part of their transactions, their stock prices will affect the value of their bids. QVC stock was up 12.5 cents a share, at \$56.125, in over-the-counter trading. But Viacom, whose share price has dropped sharply since it disclosed its bid for Paramount on Sept. 12, was down \$2.50, to \$56.75.

(Bloomberg, Reuters, NYT)

## Russia Troubles Trigger Sell-Off On Wall Street

Bloomberg Business News  
NEW YORK — U.S. stocks nosedived Tuesday as fresh political turmoil in Russia compounded concern about the strength of U.S. corporate earnings and rising interest rates, traders and analysts said.

The Russian situation "spooked the market" as President Boris N. Yeltsin disbanded parliament and called for new elections in December, said Edward Lamm, head trader at Kidder, Peabody & Co. Mr. Yeltsin's move caps a long-standing dispute with hardliners who oppose attempts to reform the post-Soviet economy.

The Dow Jones industrial average plunged 67.9 points at one stage before closing at 3,537.24, down 38.56, in the biggest single-day drop since April 2. The average had fallen 37.45 on Monday.

Stocks weakened as computer-guided sell orders hit the market in mid-afternoon. The Dow average was led lower by economy-sensitive issues such as Caterpillar Inc., off 1% to 77 1/4; Aluminum Co. of America, down 1% to 66 1/4; and Allied-Signal Inc., off 1% to 72 1/4.

The Standard & Poor's 500 index fell 2.10, to 452.95, led by declines in bank, utility, food and chemical stocks. The Nasdaq Composite Index skidded 6.66, to 733.55.

Declining common stocks outnumbered advanced on the New York Stock Exchange 3 to 1 in six sessions. Volume was heavy as 303.8 million shares changed hands, up from 228.4 million traded on Monday.

Turmoil in Russia and an unexpectedly large drop in Japanese interest rates combined to drive up precious metals prices, fueling concern about inflation. Gold surged \$9.50 an ounce, to \$365, and West Texas Intermediate for delivery in November rose 20 cents, to \$18.13 a barrel.

"Russia has been one of the main suppliers of metals," said Thomas Gallagher, head trader at Oppenheimer & Co. "You take them out of the market, and the inflationary aspect is up again."

"Any thoughts that the hardliners might be getting back in power or that people aren't sure of who has their hands on the (nuclear) button always creates nervousness," Mr. Lamm said.

The plunge in stocks was also fueled by mounting concern about corporate profits in the wake of dismal forecasts from leading companies such as Nike Inc., Westinghouse Electric Corp., and Eastman Kodak Co., traders said.

"The third quarter could be down significantly because of tax cuts," Mr. Lamm said.

See STOCKS, Page 12

## Dollar, Gold And Oil Surge On the News

Compiled by Our Staff From Dispatches  
NEW YORK — The dollar and gold and oil prices leapt on Tuesday after President Boris N. Yeltsin dissolved the Russian legislature.

"News of trouble in Russia always has this type of knee-jerk reaction in the foreign exchange market," said Brian Martin, senior economist at Citibank in London. "They're moving into dollars on the safe-haven argument."

The U.S. currency surged against the Deutsche mark to close at 1.6385 DM. That was nearly 3 pips up from Monday's close of 1.6100 DM.

The mark is considered riskier than the dollar because Germany is Russia's biggest creditor. Germany is also much more vulnerable if turmoil spills into Eastern Europe.

Reports of troop movements in Moscow kept the dollar well bid against the mark, said Dennis Pettit, foreign exchange manager at Long-Term Credit Bank of Japan.

Oil prices soared on fears that unrest in Russia might interrupt its petroleum exports. The price of

See DOLLAR, Page 12

## MEDIA MARKETS

### Chiat/Day Hits a Bump, But the Decade Is Young

By Bruce Horowitz  
Los Angeles Times Service

LOS ANGELES — Is the "Ad Agency of the Decade" flinching? Is it in trouble? Or is it just being its own way? Chiat/Day, the Los Angeles ad firm Advertising Age called the "Agency of the Decade" three years ago, ran national newspaper ads this week that tried to put the best light on some very bad news: It was fired last week by Reebok.

The headline to its newspaper ad said: "Now we know how Dan felt." The reference is to Dan O'Brien, the decathlete who embarrassed himself and Reebok, his sponsor, during the 1992 Summer Olympics when he failed to qualify for the American Olympic team. Chiat/Day had coaxed Reebok International Ltd. into spending upward of \$30 million on a TV campaign that pitted O'Brien against a teammate, Dave Johnson, in a battle for the title of "world's greatest athlete."

At first blush, the largest ad agency in the Los Angeles market — best known for setting the Eveready Energizer rabbit in motion — might seem to have a rocky future. After all, advertising dollars are disappearing at an alarming rate from the Southern California market where the 25-year-old agency has always looked for growth. The privately held agency is said to be struggling financially — and even on the sale block.

But like the ever-moving Energizer rabbit, Chiat/Day keeps on going and going. "There is still plenty of spirit at Chiat/Day," its chairman, Jay Chiat, said in a telephone interview from his New York office. "We're not just going to survive, we're going to thrive."

But it may not be easy. After spending millions to establish an international presence, Chiat/Day threw in the towel last year when it sold its costly operations in Australia and New Zealand. Yet the upstart ad firm was given the hook by Reebok last week because it was not considered global enough for the sneaker maker.

Chiat/Day is also saddled with a reputation of being a revolving door for clients. Reebok aside, over the past two years the agency has lost such advertisers as American Express Co., Shearson Lehman Brothers and Royal Caribbean Cruise Lines.

But Chiat/Day is an enigma. Advertising analysts, agency rivals and current clients insist that, ironically, it is because Chiat/Day is such an outstanding creative company — and not a mega-agency singularly focused on growth — that its relationship with clients is so often on the edge. That may also be why its advertising is often so

See MEDIA, Page 16

## Sega Opts for Chip Made by Hitachi

By Andrew Pollack  
New York Times Service

TOKYO — Sega Enterprises Ltd. said Tuesday that it would base its next generation of home video-game machines on a chip being developed by a seemingly inexperienced partner, Hitachi Ltd. The company said it would introduce its new machine in the fall of 1994.

Sega and Hitachi will be pitted against the team of Nintendo Co. and Silicon Graphics Inc. and against a newcomer, 3DO Co., in the battle to sell advanced video-game machines with images more vivid and realistic than those possible in current machines.

Sega, which had not announced its plans for the new machine until Tuesday, appears to be setting out a middle course in terms of timing and price between Nintendo and 3DO. Although the company did not announce pricing, analysts said Sega was aiming at an initial price of about 50,000 yen (\$478) for a machine that will include a CD-ROM player for displaying video images.

Hitachi is not known for expertise in microprocessors, the central chips used in personal computers and work stations. It has, however, long made a related type of chip used in electronic appliances.

Nintendo's partner, Silicon Graphics of Mountain View, California, is a world leader in computer-generated imagery and also owns MIPS, a company that designs powerful microprocessors. Sega was offered the use of Silicon Graphics technology but turned it down, according to analysts and industry officials.

One Sega executive said Hitachi's chip was attractively priced and would be designed with Sega's needs in mind, although it would not be exclusively for Sega's use. The companies said Sega's game machines might be sold through Hitachi's retail outlets. That could have been an inducement for Sega, which badly trails Nintendo in sales and distribution in Japan.

Sega and Hitachi said they would cooperate more broadly in multimedia, which involves computerized machines that can play video images and reproduce sounds as well as display text and data. Hitachi plans to make portable business machines as well as home multimedia players.

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This client focus has contributed to our leading position in private banking. As a subsidiary of Republic National Bank of New York and an affiliate of Republic New York Corporation, we're part of a global group with more than US\$4 billion in capital and US\$46 billion in assets. These assets continue to grow substantially, a testament to the group's strong balance sheets, risk-averse orientation and century-old heritage.

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### CURRENCY & INTEREST RATES

Cross Rates	Sept. 21	Sept. 21	Sept. 21
Amsterdam	1.89	1.78	1.78
Brexit	1.89	1.78	1.78
London (d)	1.89	1.78	1.78
Holland	1.89	1.78	1.78
Madrid	1.89	1.78	1.78
Milan	1.89	1.78	1.78
New York (d)	1.89	1.78	1.78
Paris	1.89	1.78	1.78
Tokyo	1.89	1.78	1.78
Zurich	1.89	1.78	1.78
1 Swiss	1.89	1.78	1.78

### Key Money Rates

United States	Class	Prvt.	Brnds	6.00	6.00
Discount rate	2.25	1.00	Bank base rate	5.00	5.00
Federal funds	3.75	3.00	Call money	5.00	5.00
1-month T-bill	2.25	2.25	1-month interbank	5.00	5.00
3-month T-bill	2.25	2.25	3-month interbank	5.00	5.00
6-month T-bill	2.25	2.25	6-month interbank	5.00	5.00
1-year T-bill	2.25	2.25	1-year interbank	5.00	5.00

### Other Dollar Values

Currency	Par \$	Currency	Par \$	Currency	Par \$
British pound	1.89	Japanese yen	148.00	Swiss franc	1.89
French franc	6.55	West German mark	1.89	Belgian franc	40.34
Italian lira	2036.27	Spanish peseta	166.64	Dutch guilder	3.76
Portuguese escudo	200.48	Swedish krona	8.46	Australian dollar	1.89
Spanish peseta	166.64	Swedish krona	8.46	Canadian dollar	1.35
Swedish krona	8.46	Swedish krona	8.46	Japanese yen	148.00

### Forward Rates

Currency	30-day	60-day	90-day	3-month	6-month	1-year
British pound	1.89	1.89	1.89	1.89	1.89	1.89
Japanese yen	148.00	148.00	148.00	148.00	148.00	148.00
Swiss franc	1.89	1.89	1.89	1.89	1.89	1.89



# NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	110.00	+0.25
MSFT	55.00	+0.12
ORCL	45.00	+0.10
INTL	35.00	+0.08
DISC	25.00	+0.05
WALD	15.00	+0.03
AMZN	10.00	+0.02
GOOG	8.00	+0.01
MSFT	55.00	+0.12
ORCL	45.00	+0.10
INTL	35.00	+0.08
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AMZN	10.00	+0.02
GOOG	8.00	+0.01

Continued on Page 16

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# NASDAQ

Tuesday's Prices  
NASDAQ prices as of 4 a.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High Low Stock Div Yld PE Ratio High Low Label Chg

Table with columns: High, Low, Stock, Div, Yld, PE Ratio, High, Low, Label, Chg. Lists various NASDAQ securities and their performance.

Table with columns: High, Low, Stock, Div, Yld, PE Ratio, High, Low, Label, Chg. Continues listing NASDAQ securities.

Table with columns: High, Low, Stock, Div, Yld, PE Ratio, High, Low, Label, Chg. Continues listing NASDAQ securities.

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Table with columns: High, Low, Stock, Div, Yld, PE Ratio, High, Low, Label, Chg. Continues listing NASDAQ securities.

## Germany Plans 20% Cuts in Holiday Pay

**BONN** — Chancellor Helmut Kohl's coalition proposed Tuesday that pay to workers on public holidays be cut by a fifth to compensate employers for the cost of a new nursing-care insurance plan. Payment of wages will be reduced by 20 percent on the 10 federal public holidays, the three coalition parties said in a statement after a meeting chaired by Mr. Kohl. Under the plan, workers would be offered the choice of giving up two days of vacation instead.

The German Employees Union, which represents more than a half-million white-collar workers, said it would "respond" with massive strikes if the plan went through. The plan is intended to compensate companies for contributions to an insurance plan that will provide long-term nursing care for Germany's growing population of old people. The government hopes to start phasing in the insurance, financed by a 1.7 percent levy on pay divided equally between workers and employers, beginning in January.

Average nursing-care costs have doubled over the past 20 years, to about 4,000 Deutsche marks (\$2,500) a month. The federal health system now pays about half the cost and individuals pay the rest. The white-collar union estimated that as well as having 0.85 percent of wages deducted as their contribution to the insurance plan, average earners would now lose around 350 DM a year in August. (Reuters, AP)

**M-3 Rose in August**  
The German M-3 money supply rose at an annual rate of 7.2 percent in August, according to provisional figures released by the Bundes-

## Investor's Europe

Table showing stock market indices for Europe: Frankfurt DAX, London FTSE 100 Index, Paris CAC 40. Includes columns for Tuesday Close, Previous Close, and Change.

### Very briefly:

- British Coal will be offered for sale as five separate regional businesses under plans to privatize the corporation, the government announced. The regions will be in Scotland, Wales, northeastern England and the central coalfield, which will be split into two parts.
- Cadbury Schweppes PLC said it would buy an 80 percent stake in the closely held Argentinian candy maker Productos Stani SAIC. The price was not disclosed.
- Tesco PLC said it had pretax profit of £261.5 million (\$400.4 million) in its first quarter, ended Aug. 14, up 3.4 percent from a year earlier. The British supermarket operator and retailer said it would pay a first-half dividend of 2.45 pence a share, up from 2.25 pence.
- Royal KNP BT, a Dutch paper and office-products group, plans to merge its paper divisions with Austrian paper producer Leykam-Murztaler Papier & Zellstoff AG, of which it now owns 50.4 percent, by Jan. 1.
- Tabacalera SA said Pedro Perez Fernandez would succeed German Cavillo as chairman. The Spanish cigarette maker did not say why Mr. Cavillo was leaving the job.
- Metallgesellschaft AG will have poor earnings in its smelting and carparts businesses in the year ending Sept. 30, Heinz Schimmelbusch, the company's chief executive, said.

## Dutch Budget Stresses Jobs

**THE HAGUE** — Job creation took precedence over austerity in the Netherlands' budget for 1994 unveiled Tuesday, as the government forecast that claims for jobless benefits would reach their highest levels in postwar history. "Labor is a priority written in capital letters," said Finance Minister Wim Kok.

With less than eight months to go before a general election in May, Prime Minister Ruud Lubbers's Christian Democrat-Labor coalition unveiled a budget calling for large investments in transportation infrastructure to boost the economy and a tax break for businesses on certain labor costs. Although the government predicted that gross domestic product would grow by 1 percent in 1994 after being flat this year, it said the number of people receiving unemployment benefits would rise to a post-World War II record of 715,000 from 650,000 this year. Total spending is set for 198.7 billion guilders (\$109.7 billion), down slightly from this year's 207.1 billion guilders.

## Nissan to Slash Output at British Plant

**LONDON** — Nissan Motor Co. said Tuesday that it was slashing output at its British plant in the face of a slump in car sales. Nissan said it would produce 246,000 cars this year and next at its plant in Sunderland in northern England instead of the 270,000 originally planned for each year. "The Continental European markets have fallen sharply during the year," a Nissan spokesman, John Nielson, said. "There were expectations they would recover later in the year, but that clearly is not the case."

He said there would be no layoffs among the 4,600-member work force but Nissan would cancel the night shift in November and December at Sunderland. Vauxhall, General Motors Co.'s British unit, said Monday that it had reduced output at both its plants, and Peugeot Talbot, part of the PSA Peugeot Citroen company, has suspended production of its main 405 model and reduced that of its 306 model. Ford Motor Co. is cutting 2,600 British jobs this year. European auto sales fell 16 percent in the first eight months of 1993.

## GATT: A High-Risk EC Strategy

Continued from Page 1  
commitment to conclude the Uruguay Round by the December deadline. One EC official, who spoke on condition of anonymity, said it was "quite natural" that Mr. Kantor would seek to blunt any European hopes of major concessions on the farm package. More important, he said, was that the two sides keep on talking and avoid a stalemate on agriculture. That will allow negotiators to make progress on tariff cuts and market openings in all the other goods and services covered in the Uruguay Round, he said. The hope is that the entire package will offer such attractive possibilities for stimulating the world economy that no one, particularly France, will risk a breakdown on farm issues. "It's clear that this is going to be on the table until the last day," this official said of France's objections on agriculture. "And nobody has any interest in trying to clarify it until the last day." Willy Claes, the Belgian foreign minister, said the EC stance had removed the prospect of a blockage on farm issues and paved the way for progress at the Uruguay Round negotiations in Geneva. The big advantage of this agreement is that finally we have the opportunity to oblige all the other partners to put their cards on the table," Mr. Claes, who chaired the EC ministerial meeting, told Belgian radio. A German official said the EC ministers had succeeded in offering sympathy for the French government, which faces violent opposition from its farmers to the Blair House deal, without locking themselves into any specific promises.

## ASIAN CAPITAL HOLDINGS FUND

20, Boulevard Emmanuel Servais, L-2535 Luxembourg  
R.C.S. 43100  
**NOTICE TO ALL SHAREHOLDERS**  
The shareholders are hereby convened to the Extraordinary General Meeting to be held in Luxembourg on October 12th, 1993 at 11:00 a.m. with the following agenda:  
1. Increase of the authorized capital from USD 50,000,000 - to USD 70,000,000.  
Article 5 §1 of the Articles of Association will be amended accordingly and will have to be read as follows:  
"The Corporation has an authorized capital of seventy million United States Dollars (USD 70,000,000.) to consist of fourteen million (14,000,000-) authorized shares of a par value of five United States Dollars (USD 5-) per share."  
The shareholders are advised that a quorum of 50% is required for the item of the agenda of the Extraordinary General Meeting and that a decision will be taken at the majority of the two thirds of the shares present or represented at the meeting, each share is entitled to one vote. A shareholder may act at any meeting by proxy.  
For the company:  
Banque de Gestion Edmond de Rothschild Luxembourg  
20, Boulevard Emmanuel Servais, L-2535 Luxembourg

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LIT-93-1, 1993

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# Contractor Arrested In Japan in Bribe Case

**The Associated Press**

TOKYO — For U.S. trade negotiators, the timing could not have been more fortuitous.

They had just complained in talks with Japan that widespread bribery and bid-rigging in the Japanese construction industry made it impossible for foreign companies to gain access.

Now the chairman of Japan's largest construction company has been arrested. He is suspected of personally giving a bribe to a politician in return for favored access to public projects. Teruo Yoshino, the chairman of Shimizu Corp., is the most prominent official to be arrested in a series of scandals that has shaken the construction industry and political world.

"I'm afraid damage to the Japanese construction talks will be unavoidable," the government spokesman, Masayoshi Takemura, conceded Tuesday.

In talks over the weekend, Japan contended U.S. builders were not making enough effort to win work in Japan, a Construction Ministry official said. The Americans responded that the bribery scandals had convinced U.S. companies that the Japanese market is closed.

Washington has threatened to impose sanctions on Japanese companies in November if its demands for a complete opening of bidding on Japan's public-works projects are not met.

Mr. Yoshino was accused of handing a bribe of 10 million yen (\$95,000) in December to a local governor, news reports said. Before his arrest Monday, he flatly denied to Japanese reporters that he had made any donation to the governor.

Construction Minister Kojo Igarashi warned the industry to shape up Tuesday. "They should realize that it is suicidal for the entire industry if they keep doing things like this and cause public distrust," Mr. Igarashi said.

# Big Profit in Small Loans Credit Firms Join Tokyo Stock Market

**Bloomberg Business News**

TOKYO — Once thought of as little more than loan sharks beholden to Japan's *yakuza* gangster clans, small consumer-finance companies here are trying to rid themselves of their shady image.

In fact, three of the more successful and reputable of these purveyors of high-risk loans — companies known in Japan as *saraku* — are joining Tokyo's over-the-counter stock market. Promise Co. began trading Sept. 9, and its shares have already risen about 10 percent from their offering price of 6,900 yen (\$66).

The second one, Sanyo Shuppan, began trading Tuesday, and Acom Co. is to be listed Oct. 1.

The three represent 34 percent of the consumer small-loan market, and they are slowly edging out their competition.

"It's a whole new industry coming to the market," David Snoddy, a financial analyst at Jardine Fleming Securities, said, "and being listed will improve their reputations, not only with customers but with institutional investors as well."

Overall, the consumer-finance industry is expected to grow 7.5 percent to 10 percent a year over the next three to four years, Mr. Snoddy said, and the six largest *saraku* are likely to have asset

growth levels of as much as 12.5 percent a year.

Analysts see an opportunity for these companies and investors alike, as hard times have led banks and large credit companies to cut back on consumer loans.

"If all of these bigger companies are being so tight with credit, it gives the little *saraku* a chance," said Alicia Ogawa, a financial industry analyst at Salomon Brothers.

The *saraku* are well-established players in Japanese lending. There are about 7,000 of these *saraku*, known in Japanese as the *salarymen's finance* company, making high-interest, unsecured loans to borrowers who cannot get credit from the banks and the bigger companies.

While past links to Japan's criminal gangs have hurt the industry's image, the *saraku* have had a big impact on the consumer-loan business, paring the loan-application process to its bare essentials.

After filling out a short form, a prospective applicant can walk away within 30 minutes with as much as 500,000 yen of revolving credit, and the companies' loan cards can be used to withdraw cash from automated teller machines.

Despite lending rates hovering around 30 percent, with a ceiling set by the government at 40.01 percent, the market will continue to grow, analysts said.

It is certainly turning out to be a profitable niche business. Promise Co. and Acom reported pre-tax profit growth of 45.3 percent and 30.9 percent, respectively, in the year ended March 31.

That has matched or, more often, far exceeded the growth of most of the larger credit companies. Nippon Shuppan had growth in the year of 20.7 percent, JAACS had 31.3 percent, and Credit Saison, 14.1 percent.

In addition, the Bank of Japan's cut in the discount rate Tuesday to 1.75 percent from 2.50 percent will help provide the *saraku* with cheaper capital.

**'It's a whole new industry coming to the market, and being listed will improve their reputations.'**

David Snoddy, analyst at Jardine Fleming

# Japan's Rate Cut Brings Markets A Dose of Joy

**Compiled by Our Staff From Dispatches**

TOKYO — A bigger-than-expected cut in Japan's discount rate Tuesday halted a four-day slide in the stock market and sent yen money-market rates to record lows.

The Bank of Japan slashed its discount rate—the rate at which it lends funds to commercial banks — by 0.75 percentage point early Tuesday, to a record low of 1.75 percent. While a cut had been widely anticipated, many had expected it to be only half a point until news leaked out just a few hours before the announcement.

The Nikkei 225-stock average, after falling for four days, shot up 200.62 points, or 0.99 percent, to 20,466.55.

"If the rate cut had been 50 basis points, it would have been nothing to get excited about, but 75 basis points is positive for the market environment," said Hideto Koizumi, managing director at Asahi Life Investment Management Co.

Still, several economists and analysts said, the move would not lessen the pressure on the government, from Japanese businesses as well as the United States and other trading partners, to take equally bold budgetary measures to get an economic recovery under way.

Tokyo's short-term money market was jolted by Tuesday's move, and the overnight call-money rate fell to a record low 2.16/32 percent from Monday's 2.30/32 percent.

Japanese government ministers expressed confidence that the big rate cut would lead to a smooth economic upturn.

"I am certain that the rate cut will contribute significantly to sustainable growth in Japan's economy, in combination with various past government measures," Finance Minister Hirohisa Fujii said.

Still, cutting the discount rate is likely to have only a moderate impact in terms of economic recovery. Although it will make it easier for businesses to borrow money to invest, many Japanese companies — in major industries such as automobiles, steel and electrical appliances, are suffering from excess production capacity and might have little or no need for additional borrowing.

In the foreign-exchange market, however, traders brushed aside the rate cut and said the dollar would be influenced more by U.S.-Japanese talks on trade and other issues this week and next.

The cut, which reflected the fears of the central bank that Japan's economy was heading for hard times, was the seventh in the discount rate since July 1991. By comparison, the discount rate is 3 percent in the United States and 6.25 percent in Germany.

Last week, Prime Minister Morihiro Hosokawa announced Japan's third emergency economic stimulus package in 13 months, about \$57 billion of public spending, low-interest loans for housing and business incentives. The package, however, was widely criticized for being too small and for not including a cut in income taxes. (Reuters, NYT)

Investor's Asia				
Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,495.21	7,380.60	+1.42
Singapore	Straits Times	1,995.74	1,996.37	-0.13
Sydney	All Ordinaries	1,925.20	1,924.10	+0.05
Tokyo	Nikkei 225	20,466.55	20,265.93	+0.99
Kuala Lumpur	Composite	816.80	816.48	+0.25
Bangkok	SET	892.50	897.01	-0.44
Seoul	Composite Stock	884.66	885.12	-0.07
Manila	Weighted Price	3,904.28	3,927.81	-0.60
Beijing	Composite	1,898.77	1,867.97	+1.44
Taipei	Stock Index	430.57	431.49	-0.21
New Zealand	NZSE 40	1,917.07	1,937.93	-1.08
Bombay	National Index	1,308.80	1,308.30	+0.08

### Very briefly:

- **Kokusai Denshin Denwa Co.**, Japan's biggest international telecommunications carrier, will cut rates for overseas calls by an average of 2.4 percent on Oct. 10, passing on gains from the high yen to consumers.
- Japanese police arrested three businessmen, including the former president of a bankrupt investment firm, **Jesi Japan Inc.**, on suspicion that they swindled the bulk of 7 billion yen (\$67 million) from hundreds of investors who thought they were investing in Australian bonds.
- **Toyota Motor Corp.** said it had developed a catalytic converter for cleaning gasoline-engine exhaust emissions, using palladium rather than the conventional platinum and rhodium.
- **Telestra Corp.**, the overseas arm of Australia's government-owned telecommunications company, is to invest \$122 million on a new submarine cable linking Vietnam with Thailand and Hong Kong, taking Telestra's investment in Vietnam to \$197 million.
- **Vietnam Investment Review**, an Australian-owned weekly, and state-owned Vietnam television plan to start Vietnam's first pay-television channel shortly. Two French companies, **Les Films du Triangle** and **Seamcar**, are also partners in the deal.
- **Aetna Life Insurance Co.** has received permission to boost the capital of its five-year-old Taiwan branch by 375 million Taiwan dollars (\$13.96 million), to 2.67 billion dollars.
- The **South Nonferrous Metals Exchange**, China's third such exchange, has opened in Nanhai, Guangdong province; it is jointly sponsored by Guangdong Nonferrous Metal Corp. and the municipal government.

# Japanese Brokers Cut Profit Estimates

**Bloomberg Business News**

TOKYO — Signaling that bad times are not over yet for Japan's brokerage industry, 22 leading securities houses said Tuesday that lower-than-expected stock volume had forced them to cut half-year earnings forecasts.

But the news was not all bad, considering the beating the brokers have taken in the last three years. The new forecasts indicate that this year is shaping up to be better than last year, thanks mainly to aggressive cost-cutting.

If the forecasts hold, 10 of 25 listed securities houses will boost themselves into the black in the half year ending Sept. 30. In the year ended March 31, the brokers posted an aggregate loss of 317 billion yen (\$3 billion).

"We hope to increase our stock commissions dramatically this year," said Takashi Ikenchi, a vice president of Sanyo Securities Co. The listings of major stocks such as East Japan Railways Co. and Japan Tobacco Inc. in the coming six months are expected to entice small investors

back into the Japanese stock market, he added.

The brokers said they based their new earnings forecasts on an estimated average volume in Tokyo of 250 billion yen a day, up from 242 million a day in the year ended March 31. That is still down from the 350 billion yen they previously projected for the period.

The securities houses plan to keep trimming fat. Nomura said that by April it aimed to cut 1,000 jobs from the staff of 11,300 it started the financial year with. Nikko and Yamaichi Securities Co. plan to eliminate 500 jobs each.

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# BBC Forms TV Venture in Japan

**Reuters**

TOKYO — British Broadcasting Corp., in a venture with a Japanese trading firm, will launch a 24-hour version of BBC World Service Television in Japan in early 1994.

The London-based broadcaster, which is already a force in Asian broadcasting with its news and current-affairs programming on the Hong Kong-based STAR TV satellite television, has formed a joint-venture company in Tokyo with Japan's second-largest trading company, Nishio Iwai Corp.

Nishio will be the majority partner in Satellite News Corp. and will be responsible for injecting advertising into the BBC's London-generated news and information programming.

Satellite News will hire 19 translators in London. At the start, four hours a day during prime viewing time will be available in Japanese translation.

The joint owners say the service will first be

available on cable systems, and a deal with one of Japan's six non-satellite broadcasters for rights to parts of the service is being discussed.

The company says viewers will be able to see World Service TV as part of the "basic" package offered by existing cable operators. In "two to three years" SNC expects it to be offered on a subscription basis.

For Nishio Iwai it will be a first step into satellite communications, said Tadahiko Kurayama, assistant general manager of the company's satellite communications office.

"Nishio Iwai believes it can sell WSTV to half the country's existing cable systems in the first year and believes it will be able to offer advertising a potential audience of 400,000 to 500,000 homes. Mr. Kurayama said he expected it would be available to more than a million households within three years.

# Seoul Firms Launch Overseas Issues

**Reuters**

SEOUL — South Korean companies are heading abroad to raise funds and planning to launch a wave of foreign-currency bonds to capitalize on the government's relaxation of restrictions on overseas issues.

"As the government relaxes its grip on overseas financing, more companies are expected to attract overseas funds and with better conditions," a Finance Ministry official said.

The ministry said last week that it would raise the annual limit on companies seeking overseas financing to \$2 billion from \$1.5 billion. Overseas borrowings this year by South Korean companies totaled

\$1.2 billion as of August, the official said.

South Korea, which regards high inflation as the most serious problem besetting the economy, has tightly controlled money supply since January 1991.

"It is very encouraging," said Ha Tae-hyung of Tong Yang Capital Management Co. "Overseas financing will help companies alleviate their financial burden and contribute to improving international competitiveness in the long run."

Domestic companies, strapped by high financing costs at home and the difficulty of securing funds, have long sought increased borrowing powers overseas.

The Securities Supervisory Board said six companies were planning to issue \$300 million worth of equity-linked overseas bonds in October and November. In addition, two partially state-funded corporations plan issues of \$610 million in non-equity-linked bonds next month.

The equity-linked paper will provide an alternative for foreign investors who cannot cash in on some attractive shares on the Seoul bourse because of a 10 percent limit on foreign stock holdings.

Daewoo Corp., the trading and construction arm of the Daewoo Group, plans to push forward with its bid to issue a \$75 million convertible bond issue in Europe.

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**Herald Tribune**

**AMEX**

**Tuesday's Closing**

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
10.00	9.50	AMER	0.50	5.3	18.5	10.00	9.50	AMER	0.50	5.3	18.5
15.00	14.50	AMER	0.75	5.0	30.0	15.00	14.50	AMER	0.75	5.0	30.0
20.00	19.50	AMER	1.00	5.0	40.0	20.00	19.50	AMER	1.00	5.0	40.0

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
30.00	29.50	AMER	1.25	4.2	71.4	30.00	29.50	AMER	1.25	4.2	71.4
40.00	39.50	AMER	1.50	3.8	105.3	40.00	39.50	AMER	1.50	3.8	105.3
50.00	49.50	AMER	1.75	3.5	142.9	50.00	49.50	AMER	1.75	3.5	142.9

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
60.00	59.50	AMER	2.00	3.3	181.8	60.00	59.50	AMER	2.00	3.3	181.8
70.00	69.50	AMER	2.25	3.2	218.2	70.00	69.50	AMER	2.25	3.2	218.2
80.00	79.50	AMER	2.50	3.1	254.5	80.00	79.50	AMER	2.50	3.1	254.5

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
90.00	89.50	AMER	2.75	3.0	300.0	90.00	89.50	AMER	2.75	3.0	300.0
100.00	99.50	AMER	3.00	3.0	333.3	100.00	99.50	AMER	3.00	3.0	333.3
110.00	109.50	AMER	3.25	2.9	377.1	110.00	109.50	AMER	3.25	2.9	377.1

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
120.00	119.50	AMER	3.50	2.9	424.3	120.00	119.50	AMER	3.50	2.9	424.3
130.00	129.50	AMER	3.75	2.8	466.7	130.00	129.50	AMER	3.75	2.8	466.7
140.00	139.50	AMER	4.00	2.8	514.3	140.00	139.50	AMER	4.00	2.8	514.3

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
150.00	149.50	AMER	4.25	2.8	561.9	150.00	149.50	AMER	4.25	2.8	561.9
160.00	159.50	AMER	4.50	2.8	609.5	160.00	159.50	AMER	4.50	2.8	609.5
170.00	169.50	AMER	4.75	2.8	657.1	170.00	169.50	AMER	4.75	2.8	657.1







# SPORTS BASEBALL

## Bonds and Giants Return to Form

**The Associated Press**  
The San Francisco Giants have found their offense again, just in time to make the Atlanta Braves a bit nervous with a tough week ahead.

The Giants closed the gap between them and the Braves, who are leading the National League West, to 2½ games as Darren Lewis

ing St. Louis with a three-run homer, but Randy Myers set a National League record with his 48th save of the season for Chicago.

Myers broke the mark of 47 saves that Lee Smith set for St. Louis in 1991. Bobby Thigpen set the major league record, of 57 saves, with the Chicago White Sox in 1990.

**Finals 6, Mets 2:** New York reached 100 losses for the first time since 1967 as Jeff King and Lloyd McClendon each drove in two runs for host Pittsburgh. In their first six seasons, the Mets lost 100 games five times. They were a record-worst 40-120 in 1962 as an expansion team and 51-111 the next year.

**Dodgers 5, Reds 2:** Dave Hansen drove in three runs with three hits as Los Angeles won in Cincinnati to send the Reds to their 10th straight loss.

The Dodgers became the first team since the All-Star break to score more than two runs off Jose Rijo.

**Padres 11, Rockies 7:** Phil Plantier, with three hits, drove in five runs as San Diego outlasted host Colorado. Plantier, acquired from Boston before the start of the season, has 32 homers and 94 RBIs.

**Phillies Get All-Star Game**  
The 1996 All-Star Game will be played at Veterans Stadium in Philadelphia on July 9, the National League announced.

**Devoer, which opens Coors Field in 1995, had been considered the favorite for the game. Next year's All-Star game is in Pittsburgh, and the 1995 game will be at the new stadium the Texas Rangers will open next year in Arlington. The 1997 game will be in an American League city.**

### NL ROUNDUP

hit a three-run double in the sixth inning to help beat Houston, 7-2, Monday night in the Astrodome.

Atlanta, which was idle, was to start a three-game series in Montreal Tuesday night before going on to play in Philadelphia.

Barry Bonds finally had a big game in September, with three hits, two runs and two RBIs, as the Giants won their fourth straight after losing eight in a row.

"A couple of RBIs per game is what people expect of me, but I've got to have the opportunities," Bonds said.

He doubled to start the sixth against Greg Swindell, and then an intentional walk to Kirt Manwarrior and third baseman Ken Caminiti's throwing error led the bases before Lewis cleared them.

**Phillies 7, Marlins 1:** Philadelphia, playing at home, came off losing two of three to Montreal to increase its lead in the East to 4½ games over the Expos.

Curt Schilling pitched a seven-hitter, struck out a career-high 11 and won his seventh straight for the Phillies. John Kruk homered and drove in three runs.

**Cubs 6, Cardinals 5:** Todd Zeile reached the 100-RBI mark for visit-

ing St. Louis with a three-run homer, but Randy Myers set a National League record with his 48th save of the season for Chicago.

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Joe Montana was 21 of 36 for 273 yards passing but did not produce a touchdown in Kansas City.

## Lowery Kicks Chiefs Past Broncos

**The Associated Press**  
KANSAS CITY, Missouri — Those looking for a classic duel between two of the best quarterbacks to ever play in the National Football League didn't get it.

Joe Montana and John Elway played. But they didn't produce much excitement Monday night in a game dominated by Nick Lowery. He kicked five field goals as the Kansas City Chiefs beat the Denver Broncos, 15-7.

Montana completed 21 of 36 passes for 273 yards, but did not appear as sharp as he had in the first game against Tampa Bay. Elway passed for 300 yards, completing 28 of 45, but the Broncos hobbled themselves with 14

penalties. By the time Elway finally got Denver in the end zone, late in the fourth quarter, Lowery had already done his damage.

The lack of a touchdown didn't seem to bother Montana, who made his regular-season home debut before a crowd of 78,453.

"Yeah, they did some stuff and I made some mistakes," said Montana, who played after sitting out last week's game in Houston because of a wrist injury.

"We would like to give our defense a little more help. Like I've said many times before, defense is the mainstay of this team and that's what it takes to win championships. If we score field goals and the defense doesn't let them score, that's what it's all about."

The Chiefs' best chance for a touchdown came on the first drive. But Montana's pass to an open Tim Barnett at the goal line was too high and out of his reach.

The Broncos were held out of the end zone until Elway drove them 91 yards and threw a two-yard touchdown pass to Vance Johnson with 1:24 to play.

Denver was penalized for 75 yards. Guard Paul Zimmerman was flagged three times for false starts.

Marvyn Allen sparked the Kansas City offense with some nifty runs and finished with 91 yards on 17 carries, but the coach, Marty Schottenheimer, will have to still figure out how to get the Chiefs, who were shut out by Houston a week ago, into the end zone.

## Bribe Case Meeting Goes Badly

**Agence France-Press**

PARIS — Former Valenciennes players Christophe Robert and Jorge Burruchaga did not turn up for the French football federation's meeting Tuesday on the Marseille-Valenciennes bribery case.

Burruchaga, an Argentine, was supposed to appear at 3 P.M., with Robert scheduled an hour later at the federation's headquarters.

But their lawyers said on arrival their clients would not be present at this crucial meeting.

From 3 P.M. onward, all the leading protagonists of France's match-rigging case were interviewed, with an announcement expected on Wednesday morning.

FIFA's president, Joao Havelange, has given France until Thursday to take action on the charges. Otherwise, France could be excluded from the World Cup, and be prevented from hosting the event in 1998.

The case dates back to May 20, when three Valenciennes players were allegedly bribed by a Marseille official to play badly in a league match.

Argentine soccer star Diego Maradona is free to play for the Buenos Aires team Newell's Old Boys, the Spanish Soccer Federation said Tuesday.

Maradona, who played last season for the Spanish first-division club Sevilla, had been blocked in his attempt to play for the Argentine club because of outstanding contractual disputes with Sevilla.

A federation spokeswoman said the differences had been resolved but would not provide further details. Officials for Sevilla were not immediately available for comment.

Monday, a lawyer for Maradona reportedly met with Sevilla and federation officials to discuss financial obligations Sevilla had incurred in signing the superstar from the Italian club Napoli.

Maradona, coming off a 15-month suspension from professional soccer for drug use, had a mediocre season with Sevilla and hit the headlines for temperamental behavior on and off the field.

## World Cup Fever

**International Herald Tribune**

LONDON — What a pain parents must sometimes be. Having reared the son or daughter, and having lived close enough to their achievements to know that in sport timing is all, we seldom say the right things at the right time.

Last Sunday, the father of Romario da Souza Faria, put a well-meant but misplaced parental foot right in it. "Romario is not the savior of the nation," da Souza Faria said of his son, Brazil's prodigal, recalled after eight months in which it seemed he was beyond the pale.

As the heat rose on Brazil's World Cup quest, as millions upon millions of countrymen feared elimination, Romario was back for the final qualifying match against Uruguay. His father's fearful words were restated as television cameras intruded down the dingy tunnel in Rio de Janeiro's Maracana Stadium. Tension was writ large in the players' faces, and in the wild cacophony of 120,000 spectators — each partisan fan representing a hundred Brazilians who would be there if they could.

The darkest fear in the brightest soccer nation was that Brazil might, for the first time ever, fail to qualify for a World Cup. Such a pressure, and a presence, either inspires or intimidates the performers. For seventy tense minutes we wondered: Is Romario the nation's savior?

Uruguay, one of the most destructive opponents on earth, ground down Brazil. Romario had a chance, one chance, which he struck against the crossbar. And as the clock ticked on with all the monotony of a taxi meter, word came that Bolivia, that tiny, magnificent neighbor, was a goal up in Ecuador. If it stayed this way, and if Uruguay broke away to steal a goal, the unthinkable might happen.

But Romario was hiding his time. In the 72d minute he struck. Somehow Uruguay's defense lost this little imp, and when Uruguayan goalkeeper Siboldi chose to ignore a looping center pass from Bebeto he found, too late, that Romario was behind him.

With a leap that carried Romario to inordinate height, and a swooping downward header, the tie was broken. And then, as Uruguay pressed for an equalizer, Romario struck again, racing over the halfway line, pushing the ball past the onrushing Siboldi and, with speed, accuracy and instinct, flicking it into the net before hurdling over the advertising boards.

Coach Carlos Alberto Parreira, who for months had argued that the ill-disciplined, errant and incorrigible Romario would not be back after refusing to play for Brazil, now said: "It was God who brought him to the Maracana. Romario is a genius, one of the best forwards in the world."

The savior, in effect, of the coach. And, in some ways, of the advertising men in the United States. For they, wisely, had pinned ticket sales on the color of Brazil's soccer. The United States is, of course, able to welcome the ticket of Bolivia, with its fairy tale of giant killers. But Brazil will be the pied piper of World Cup '94. Whether Romario, the child within the body of a 27-year-old whose ingenuity in putting a round ball into a square net is purely inspirational, makes it in God's hands.

In that exact, Faria is right. No one can predict how Romario moves on the field or through life. We can hope, and doubtless Brazilians will pray, that he is there. But, as with Maradona, trust nothing, simply enjoy.

MEANWHILE, THE SCRAMBLE for World Cup places goes on. In Europe, on Wednesday, three tiny outposts host traditional giants of the game whose aspirations are becoming frantic. Italy travels to Estonia, Spain to Albania, and the Netherlands to Bologna, where Sar-

Marino opts to play his "home" match.

These encounters test the nerve more than the skill. The Netherlands, paler shade of orange recently, has on Marco van Basten, whose ankle injury is mending slowly, and no Ruud Gullit, whose resurgent form for his new Italian club, Sampdoria, has not yet prompted another recall from national team "retirement."

Yet the Dutch anticipate scoring several goals against San Marina's part-timers. Frank Rijkaard, also rediscovering his latent love of the game in more relaxed surroundings with Ajax Amsterdam, is at the heart of the team. Dennis Bergkamp, scorer of a magnificent scissor-kick goal a week ago, will ghost behind the front players. And John Bosman has another chance to prove that he can score international goals, flanked by the swift Bryan Roy and Marc Overmars.

San Marina's goalkeeper, a bus driver named Pierluigi Benedettini, has so far let in 32 goals in eight qualifying matches. He might be on his knees by the time the Dutch are finished.

Yet on the same night, in the same group, the leader Norway can, if it beats Poland in Oslo, virtually guarantee passage to U.S. '94. And on the weekend, the African contenders come out into the sun.

Africa's day is coming. The world under-17 final in Japan last month demonstrated that, with Nigeria beating Ghana in the final, but closer still is the question of how far the mature Africans can run?

In 1990, Cameroon reached the last eight of the senior World Cup. Cameroon leads its qualifying group, and lies in wait for Zimbabwe in October. Before that, the Zimbabweans must put paid to Guinea on Sunday, or else Cameroon will be the hot favorite again.

Also, this weekend, the Ivory Coast could qualify for the finals if it wins or draws in Nigeria. The force is with Nigeria, but in nimbleness and quickness the Ivory Coast can, if it dares, overtake.

And then there is Zambia. Every neutral in the world will be rooting for it to qualify, and for that it needs to beat Senegal on Sunday and then earn a draw in Morocco on Oct. 10.

The vibes are positive. Since losing 18 players, virtually its entire squad in the plane crash last April, the Zambians have regrouped to prove that there is life after death in sporting terms.

Now, in their own Independence Stadium, they are expected to out-run the Senegalese, who would have been the opponents that dark day in April. We are, I believe, entitled to hope that the new sons of Zambia turn out to be the saviors of the dream of those who died.

Rob Hughes is on the staff of The Times.

## Chisox Wax Angels To Polish Up Lead

**The Associated Press**

With two weeks in the American League West race, the Chicago White Sox are in top form. Behind a 15-hit attack, the White Sox beat the California Angels, 10-2, Monday night to reduce their "magic number" for clinching the pennant to nine.

The Texas Rangers remained 4½ back by beating Seattle in 10 in-

among the five White Sox starters, struck out three in the first and fourth innings. He had at least one strikeout in every inning he pitched and walked only one.

**Rangers 2, Mariners 1:** Rafael Palmeiro's home run in the 10th inning in Seattle gave Texas its victory after the Rangers had rallied to tie in the ninth on pinch hitter Ivan Rodriguez's single.

It was only the second time this season the Rangers had won when trailing after eight innings.

Cris Carpenter got the victory after relieving with two on and no outs in the ninth and pitching out of a bases-loaded, one-out jam.

**Athletics 2, Royals 1:** Oakland, playing at home, made first-inning RBI singles by Troy Neel and Mike Aldrete hold up against Kansas City.

**Indians 6, Orioles 4:** Randy Milligan's grounder took a bid hop past shortstop Cal Ripken for a two-run single that got Cleveland past visiting Baltimore.

The Orioles, who had held a 3-0 lead, fell 5½ games behind idle Toronto in the AL East.

**Tigers 6, Brewers 3:** Tony Phillips had three hits and a walk as Detroit, at home, beat Milwaukee.

### AL ROUNDUP

ings, but it will be tough for them to catch Chicago in the last two weeks, especially with the way the White Sox are hitting and pitching.

They have scored 41 runs in winning five of their last six. This time, they got another strong performance from their sensational rookie, Jason Bere, who struck out 12 as he won for the fifth straight time.

"We've had better pitching in the second half than the first half," said Robin Ventura, who drove in three runs. "When you get that and you get some runs, you're able to hold on and win some games."

Lance Johnson and Ellis Burks each got two RBIs and Tim Lincecum had three hits for Chicago.

Bere, whose ratio of 8.47 strikeouts per nine innings is the best

## Major Leaguers Coming to Europe Next Year

**The Associated Press**

L'HOSPITALET, Spain — Major-league baseball and its players' union found agreement Tuesday on plans for a European tour of big leaguers next year, with probable stops in Britain, Spain, France and Italy.

"This is something the players are very much in favor of doing," said Don Fehr, head of the Major League Baseball Players Association. "Players know it's to their advantage to see the game spread as widely as it can be."

Peter Widdington, major league baseball's No. 2 man, and Fehr arrived Tuesday in this Barcelona suburb for a four-day world baseball roundtable on the game's future in Europe. They are meeting with about 100 delegates from almost 30 countries.

Widdington handles the day-to-day operations of baseball since the forced resignation a year ago of Fay Vincent as commissioner.

"You can't forsake long-term planning just because you have day-to-day problems," Widdington said, referring to nagging troubles like finding a commissioner and avoiding a players strike when a four-year contract expires at the end of the year.

Major league and union officials said the European tour was almost certain to take place next fall, probably a 50-player delegation of stars and near-stars. Two major-league teams are also on option. They said the sites would almost certainly include London, Paris, Barcelona and Rome or Parma in Italy, with the Netherlands and Germany possible.

"What I want is 50 players representing almost all of the different teams with about 10 Spanish-speakers, French-speaking, Italian, in there," said Tony Bernazard, a former major league infielder who is an assistant to Fehr.

There are 48.2 million registered players worldwide but only 102,000 in Europe. Games will be played on a cricket pitch in London and baseball stadiums in Spain and Italy. Officials said they were unsure of the site in Paris, where a makeshift stadium suitable for first-class baseball might have to be built.

"It's an adventure, a chance to write history," said Frank Heffron, president of Major League Baseball International, the conference sponsor. The MLB has an exhibition with minor-league players set for Oct. 2-3 at the Oval cricket pitch in south London.

The tour would be part of an otherwise in-the-trenches effort over the last several years by MLB and the International Baseball Association, the world governing body, to lift baseball out of the dark ages in Europe.

"We're supportive of the whole notion of developing the game in Europe," said Widdington, who is chairman of the Toronto Blue Jays.

### DENNIS THE MENACE



"I CAN'T DO MANY TRICKS YET BECAUSE THE ONLY MAGIC WORDS I KNOW ARE 'PLEASE' AND 'THANK YOU'."

**JUMBLE** THAT SCRAMBLED WORD GAME BY HEAT ANGELO

Unscramble the words and win a prize. Write the letters in the correct order in the spaces provided.

VEFER \_\_\_\_\_

AXORB \_\_\_\_\_

TARREY \_\_\_\_\_

PEESLY \_\_\_\_\_

Print answer here: AN \_\_\_\_\_

### PEANUTS



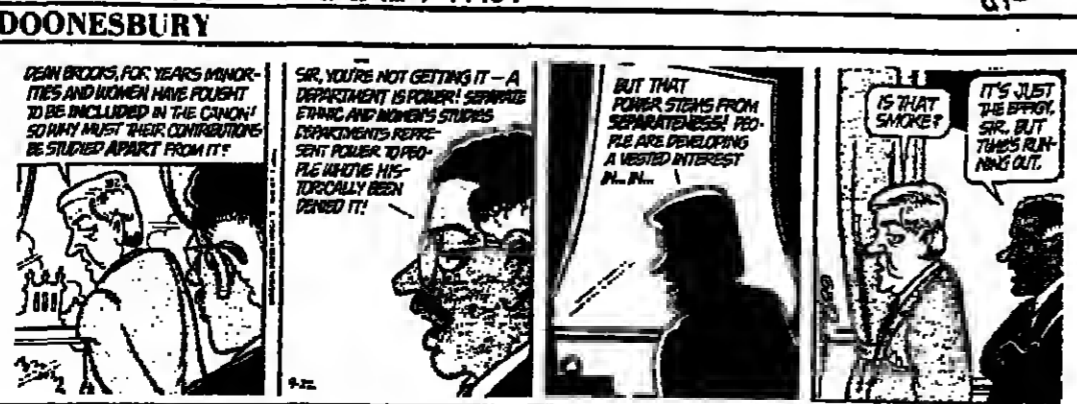
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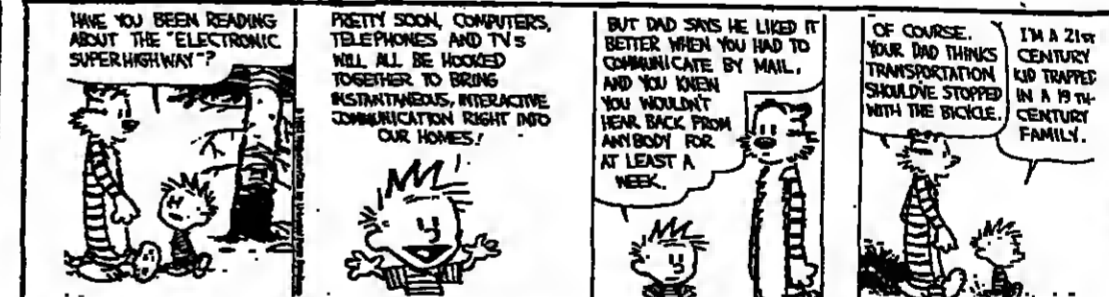
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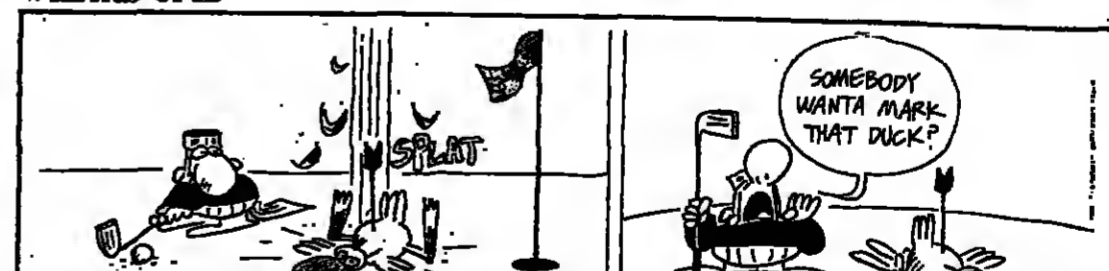
### DOONESBURY



### CALVIN AND HOBBES



### WIZARD of ID



### REX MORGAN



### GARFIELD



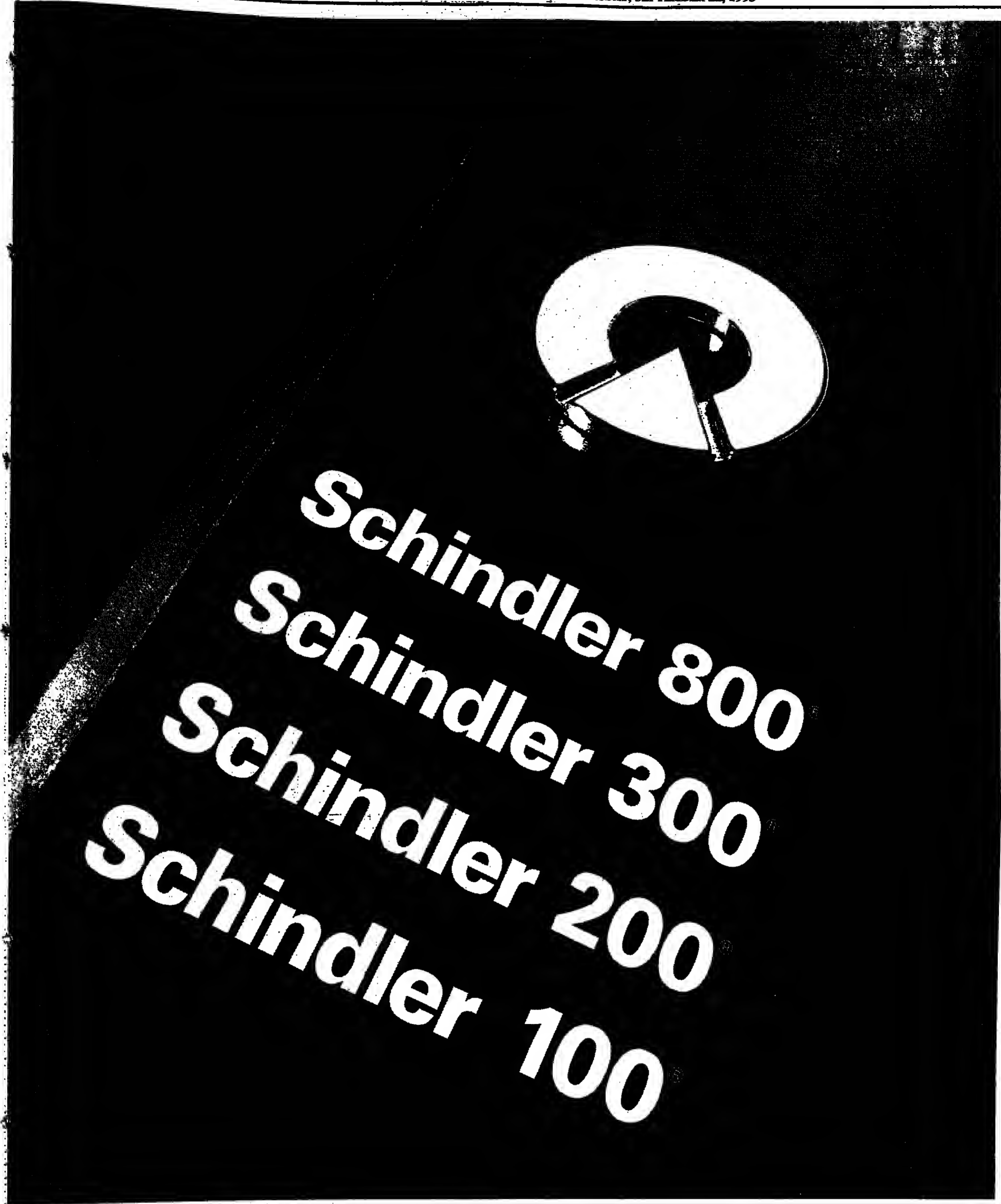
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OBSERVER

Rest-Home Report

By Russell Baker
NEW YORK — Reports filtering back to the rest home here indicate fierce strife raging out in the American sexual trenches. Makes you glad to be in the rest home in spite of the food that doesn't need chewing and the nurses who think you really mean it when you wink at them, especially the ugly ones.

One of the new things is condoms being displayed right out alongside the toothpaste and hair oil at the drugstore.

Ever think you'd see that? Right out there with the Ipana for the smile of beauty and the Herculana for the smile of health? That "smile of health" thing was well-bred, old-time radio's polite way of talking about constipation in those days.

Now on television they come right out and call it "constipation," or would if they thought people who watch television could understand a four-syllable word.

It proves not all progress is just regress traveling under false pretenses, like car telephones.

Speaking of which, a man came by here, who'd flown down from one of those metropolitan areas, and said, "Would you believe, you can make a phone call right from your airplane seat while you're going 550 miles an hour at 31,000 feet over the WBQTV viewing area?"

"What would you have to say unless the plane was falling down and you wanted to order a thick layer of mattresses spread out on the ground?" I asked, just to get under his skin.

Joking with them is a mistake, though. Old LeCompte came in and sat down the other day. He'd read something that made him laugh. It was a list of roles for old people, and one of them was "Nicer try to joke with young people because it'll just confirm their suspicion that old people are crazy."

Speaking of right out on the count, alongside the Barbosol, there's another role for old people, at least for old men, and that is, never try to be pleasant to a young woman because everybody will think you're a dirty old man.

You ever wonder why nobody ever refers to a dirty young man as "a dirty young man"? It's probably because the world is so full of them

that everybody takes their dirtiness for granted. Sure, of course, we were talking about fierce strife, sexual trenches and so on, and you're in a hurry, busy, got a lot to do, can't hardly wait to arrive back here in the rest home on your own, so let's get on with it. Got to get life over with fast, don't we?

Do you ever imagine a lot of bossy people, like airline stewardesses who run those polite fascist societies overhead — you ever imagine them all saying, "Hurry up. Hurry up! No dawdling on the way to the life-support systems, or we'll have the airport police take you off when we arrive at the gate?"

So: strife in the sexual trenches, yes. Sitting here watching youth refuse to dawdle — but jogging, in fact, actually jogging en route to life support — a happy concatenation of sexual strife and the lawyer explosion comes to mind.

The papers say the young, and the not-so-young too, are having tremendous trouble deciding, once it's over, whether a sexual congress was convened with the consent of both parties or forced into existence by one. In the news stories it's usually women who complain that it wasn't mutually agreed upon.

Though actually, as anybody who has experienced the male situation can tell you, men too often grand and gnash their teeth next day. Being men, of course, they can't admit it, which is probably why men are not doing much of the suing and applying for writs, which makes up most of the sex news these days.

Isn't the solution here plain as the lawyer glut and the carry-out pizza industry? What's needed is a big nationwide company ready to deliver, in less than 30 minutes, two witnesses and a lawyer, complete with several pounds of paper, to the scene of an incipient congress.

The instant either male or female thinks a congress may impend, a phone call is made. Within the half-hour two witnesses are on the scene with lawyer, mutual-consent-attestation papers in quadruplicate, fully inked pens and a notary with stamp. All hands would sign affidavits. The witnesses would probably have to stay.

New York Times Service

Haute Gardening: France's Green Thumb

By John Rockwell

CHAUMONT-SUR-LOIRE, France — On daffily sculptured grounds overlooking the Chateau de Chaumont and the Loire Valley, 27 landscape architects from around the world have created modest-sized gardens that reveal the variety and imagination — and outright artistry — of garden design today.

Open until Oct. 15, the second annual International Garden Festival here is more than a feast for flower-lovers, as one might gather from the filmmakers, ceramists, architects and painters among its designers. It is a bold statement about the transformation of landscape architects from humble craftsmen into artists, creators of a new kind of installation art who in some cases enjoy cult followings.

It is the latest manifestation of a public enthusiasm for gardening that has spread from Paris to this region in central France and will in November give birth to an ambitious new gardening conservatory on the grounds of the chateau farm.

Not least, it is testimony to a dramatic increase in support for gardening and historical garden restoration by the French Ministry of Culture in the Socialist era, an interest that has been redirected slightly by the current recession, but which the current conservative government shows little signs of abating.

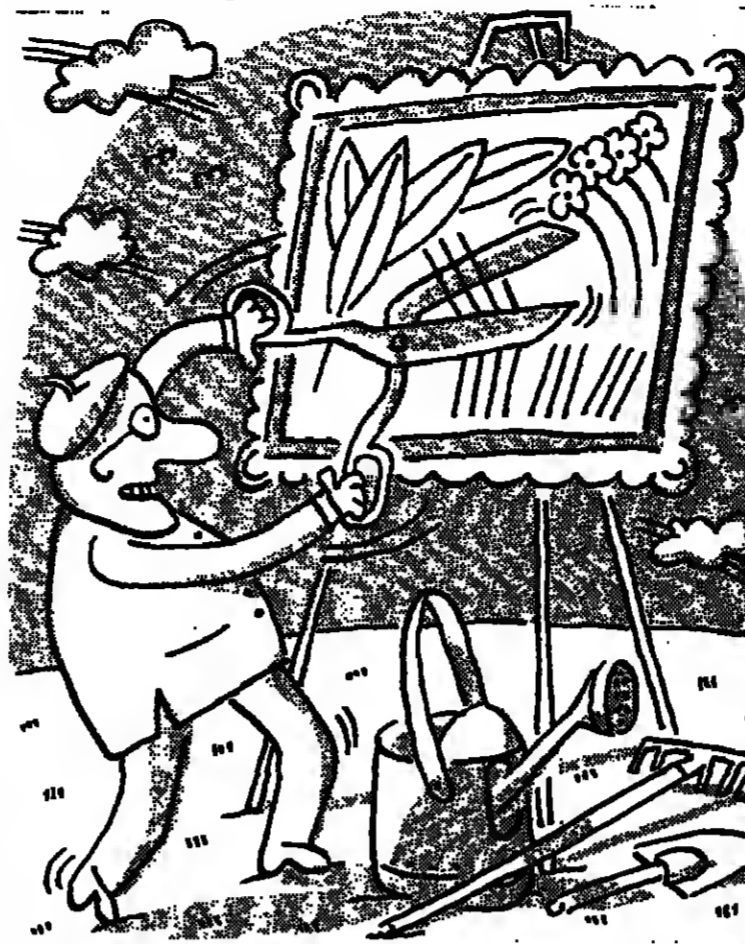
The range of gardens on view is dazzling. Seven of the gardens are holdovers from last year, including a sunken grotto by Emilio Ambasz, a Moorish temple in wood perched above a floral field by Fernando Caruncho, a Spaniard, and a remarkable tunnel of curved bamboo strips by Hiroshi Teshigahara, better known as the director of Japanese films including "Woman in the Dunes" and "Rikyu."

This year's theme, which has generated 20 new gardens, is "The Imagination in Crisis," encouraging landscape architects to express their reactions to the world's economic, social and political problems.

Each gardener has a limited space (about 2,000 square feet, or 185 square meters) and budget (about \$15,000), but otherwise has complete freedom.

Mark Rudkin, a Paris-based American painter who last year redesigned the gardens at the Palais Royal in Paris, contributed a garden of humble, inexpensive flowers. Two designers interwove flowers with symbols of industrial and environmental decay: Stephan Tischer of Germany evoked the rusting collapse of industries in the eastern part of that country, complete with factory parts and a heap of coal, while Pierre Culot of Belgium created a collapsing ceramic wall in a stagnant pond.

For Peter Walker of the United States,



the response was a series of solar panels powering pumps that sustain a field of sunflowers.

Shodo Suzuki's "Archipelago," a rock garden with shiny marble surfaces and surrounding floral groupings, was like a hidden refuge from crisis.

The 1992 festival, only two months long, attracted 60,000 visitors, and this summer's installment, which opened July 1, is expected to lure more than 100,000.

For Rudkin, who has lived mostly in France for nearly 40 years, the last decade has seen a sharp increase of French interest in gardening. "People are far more knowledgeable and sophisticated," he said in an interview at his Paris home. "They travel to see gardens now, to England and Italy, which they didn't used to do."

As an art form, gardening existed in ancient China, Egypt and Rome and has flourished in Japan over the last millennium. There have been great Western gardens since the Renaissance. Still, Rudkin added, only recently have more than a few

Western landscape architects (those who have degrees) and gardeners (those who don't, like Rudkin) felt the kind of freedom that would allow them to think of themselves as artists in the modern sense.

"Most of them feel they are adjuncts to architects," he said. "They would like to think of themselves as independent artists. Of all the landscape architects that are cranked out every year, most end up working for architectural firms or in government offices in the provinces, doing plants for new buildings, which by its very nature is limited. It's rare that somebody comes along and says, 'Make me a garden.'"

That is just what Jean-Paul Piguet has done at his Chaumont festival, and what the French Ministry of Culture and its patrimony division have encouraged in recent years.

The French state has commissioned a host of highly visible gardening projects, including Rudkin's in the Palais Royal and the forthcoming redesign of the Tuileries, scheduled for completion in 1996.

PEOPLE

Green Oak for Globe?

Heavy Japanese demand for green oak for a Tokyo building project has delayed Sam Wanamaker's reconstruction of Shakespeare's Globe Theatre on the south bank of the Thames in London, but it could be a blessing in disguise. It gives Wanamaker more time to raise the £2.5 million (\$3.8 million) needed to complete the job but dashes his hopes to have it ready in time for the 430th anniversary of Shakespeare's birth in April.

Salman Rushdie's 1981 novel "Midnight's Children" was named as the best of the 25 previous winners of the annual Booker Prize, Britain's top literary award, on the 25th anniversary of the prize.

It's a big baby boy for Maria Shriver and Arnold Schwarzenegger. The couple's first son weighed 9 pounds (4 kilograms). He has not been named yet. The film star and TV journalist have two daughters.

Oprah Winfrey reveals to Ebony magazine that the uncle she says sexually abused her as a child could have been the father of a baby she gave birth to when she was 14. The baby was premature and died at birth. "Everybody in the family sort of shoved it under a rock," she says. "Because I had already been involved in sexual promiscuity, they thought if anything happened it had to be my fault."

George Weisman, the chairman of New York's Lincoln Center for the Performing Arts since 1986, told the center's board that he would be leaving in June in time for his 75th birthday in July. . . . Out West, the cash-short Music Center of Los Angeles County hired Shelton G. Stansell, 53, the head of a prominent East Coast performing arts theater, as its new president. Since 1988, Stansell has directed the Virginia-based Wolf Trap Foundation for the Performing Arts. The Los Angeles center decided to recruit someone from the arts rather than a fund-raiser.

INTERNATIONAL CLASSIFIED
Appears on Pages 6 & 7

WEATHER

Weather forecast section including tables for Europe, Asia, Africa, North America, Latin America, and Oceania, with high/low temperature and precipitation data.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to a puzzle from Sept. 21.

Large advertisement for AT&T Access Numbers. Features the headline "I wonder if the little guy had fun today?" and a list of international access numbers for various countries.

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